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2011 ANNUAL REPORT

Workers' Safety & Compensation Commission
Northwest Territories and Nunavut

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LETTER OF TRANSMITTAL

May 29, 2012

The Honourable George L. Tuccaro
Commissioner of the Northwest Territories

The Honourable Edna Elias
Commissioner of Nunavut

The Honourable Jackson Lafferty
Northwest Territories Minister Responsible for the Workers' Safety and Compensation Commission

The Honourable Lorne Kusugak
Nunavut Minister Responsible for the Workers' Safety and Compensation Commission

In accordance with Section 96 of the Northwest Territories and Nunavut Workers' Compensation Acts, it is my pleasure to present the Workers' Safety and Compensation Commission (WSCC) Annual Report for the year ending December 31, 2011.

The 2011 Annual Report includes audited financial statements, a summary of past year activities, and a report on our progress towards achieving our goals. The Annual Report goes beyond our responsibility for financial reporting; it connects our strategic priorities to our results.

Accompanying the financial statements is an actuarial opinion on the reasonableness of future pension and claims liabilities, and the adequacy of contingency reserves. We provide a Management Commentary for further insight into the WSCC's operations and finances.

As an organization, we commit to openness and transparency. This report provides our organization with the opportunity to connect us to, and maintain accountability with, our stakeholders.

I congratulate the Governance Council, employees, management, and WSCC partners on their continued dedication and hard work in 2011.

Bill Aho

William Aho
Chairperson

2011 ANNUAL REPORT

REPORT TO STAKEHOLDERS

WSCC Workers' Safety & Compensation Commission | ᐄᖅᑲᓇᐃᔭᖅᑎᓄᑦ ᐊᑦᑕᓇᖅᑐᓂᒃ ᐊᒻᒪ ᓇᓪᓕᐅᒃᑯᒫᓂᒃ ᖃᐅᔨᓴᖅᑎᑦ


WSCC
Promote workplace safety
and
care for injured workers.


PERLEY


WSCC
&
WSC

MESSAGE FROM THE PRESIDENT

In 2011, the Workers' Safety and Compensation Commission (WSCC) entered the final year of a three-year strategic plan. The 2009–2011 plan outlined the Governance Council's strategic direction and Administration's plans to achieve set goals and objectives to support our corporate mission and vision.

2011 was a difficult year for our Northern workforce. Three airplane crashes resulted in an unusually high number of worker deaths. These tragedies not only touched everyone living in the North, they also directly impacted our WSCC employees, particularly those who care for claimants and their survivors.

During the year, we continued to focus on promoting safety for workers. We refreshed our campaign, promoting workplace safety to young workers age 13–25. We offered quality safety awareness education to workers and employers across the Northwest Territories and Nunavut, while maintaining our partnerships across the North to ensure additional course delivery. We further broadened our corporate image through a continued presence at community events.

In addition to a focus on safety, we were equally committed to providing quality service to claimants and employers. Recognizing the importance of timely service to injured workers, we issued claimants their first payment within 25 days in 92 per cent of cases. We also refined service standards in all of our divisions, to enhance service to all our clients. This commitment will continue in future years.

One final highlight of 2011 was successfully obtaining our Certificate of Recognition (COR™) designation. This further demonstrates our commitment to safety and care.

We are proud of our accomplishments in 2011. I am happy to present the 2011 annual report that confirms our accomplishments and activities for the year.

I look forward to a successful future as we work with workers, employers, and partners across the Northwest Territories and Nunavut to advance a strong safety culture and to eliminate workplace diseases and injuries.

Dave Grundy
President and CEO

MISSION

Promote workplace safety and care for injured workers.

VISION

To be recognized as a caring, efficient, and service-focused organization and a model and trusted partner in workplace safety.

VALUES

Concern for People

- We demonstrate care and compassion in responding to our clients' needs and to the communities we serve.
- When working with our clients, partners, other stakeholders, and each other, we do so with honesty, fairness, respect, sensitivity, and timeliness, proactively and consistently.

Collaboration & Engagement

- We work with our partners to achieve mutually beneficial outcomes.

Integrity

- We honour the commitments we make to our clients, our partners, other stakeholders, and each other.
- We lead the adoption of and model the workplace safety standards that we promote with employers and workers.

Transparency & Openness

- We will be clear to our clients about how decisions are made and the reasons for those decisions.

GOVERNANCE COUNCIL

A seven-person Governance Council, representing the interests of workers employers, and the general public, governs the WSCC.

Operating in a manner consistent with the *Workers' Compensation Acts* and corporate governance directives and policies, the Governance Council is responsible to oversee the business and management of the organization, while protecting the financial integrity of the WSCC. The Governance Council Members as of the date of publication are:

William Aho,
Chairperson

John Vander Velde,
Nunavut Worker Representative (Vice Chairperson)

David Ritchie,
Northwest Territories Worker Representative

Christopher Callahan,
Nunavut Public Interest Representative

Fred Koe,
Northwest Territories Public Interest Representative

Karin McDonald,
Northwest Territories
Employer Representative

Doug Witty,
Northwest Territories
Employer Representative

The Governance Council directs and monitors the following areas of accountability:

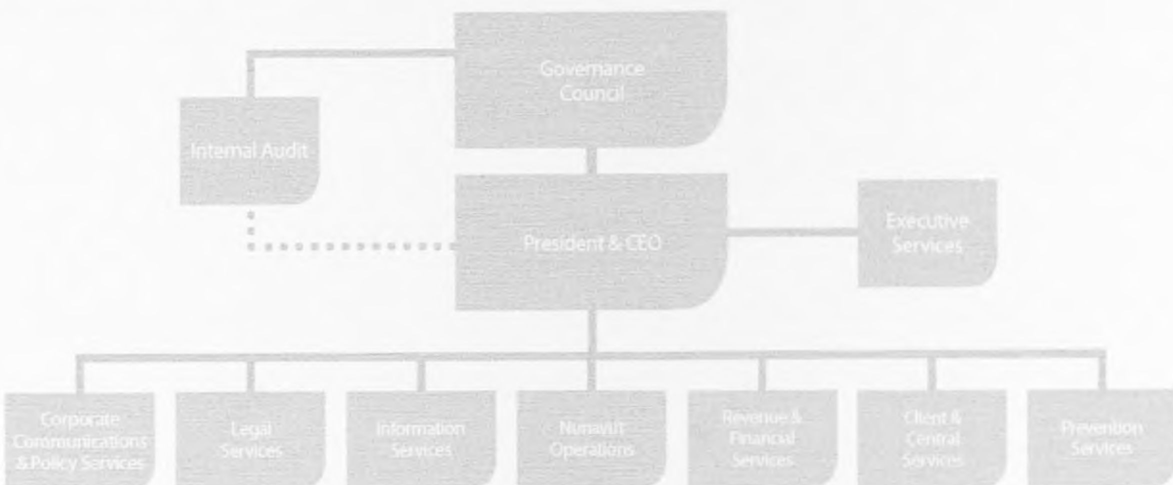
- strategic direction;
- programs and policies;
- succession planning;
- financial oversight and stewardship;
- corporate performance management;
- risk management;
- material transactions;
- communications; and
- governance oversight.

Exercising authority delegated by the Governance Council, the President and CEO is accountable for the WSCC's performance, including the achievement of results through the establishment of corporate goals and objectives.

CORPORATE OVERVIEW

The WSCC administers the *Workers' Compensation Acts*, the *Safety Acts*, the *Mine Health and Safety Acts*, the *Explosives Use Acts*, and associated regulations to protect and care for workers and employers in the Northwest Territories and Nunavut. The WSCC also assesses employers, sets assessment rates, collects revenues, pays compensation to injured workers, provides rehabilitation and medical aid, as well as promotes safety awareness and safe work practices in Northern workplaces.

Accountability Structure



Prevention Services

Prevention Services includes the Industrial and Mine Safety Units. Together they make up one of the WSCC's key service areas by promoting safe workplaces. They conduct safety inspections and incident investigations; deliver safety education courses; monitor mine rescue programs; promote safety standards and regulations; identify and target unsafe work conditions; and provide guidance and share best safety practices.

WSCC Safety Officers are experienced industry professionals with a wealth of hands-on knowledge to share with Northern workers and employers.

Client and Central Services

Client and Central Services is comprised of Human Resources, Claims and Medical Services.

Human Resources are responsible for recruitment, training, health and wellness initiatives, and employee performance management. In addition, they manage WSCC facilities and the WSCC internal safety program.

Claims and Medical Services contribute to the success of another of the WSCC's key service areas, the care of injured workers. Claims Services works directly with injured workers, assisting them throughout the claims process. They provide return to work support to claimants and their employers and pay compensation benefits. Medical Services provides technical expertise to WSCC staff to support their efforts to get claimants back to work as soon, and as safely, as medically possible.

Revenue and Financial Services

Each unit within Revenue and Financial Services plays an important role in maintaining the WSCC's financial sustainability.

Employer Services works with employers to accurately classify businesses and ensure the WSCC receives correct employer assessments. Treasury and Procurement administers contracts, purchasing, risk management, and the WSCC's investments and liabilities. Finance monitors internal financial systems and controls, including banking and budgets.

Nunavut Operations

Nunavut Operations is a full-service branch of the WSCC. With offices in Iqaluit and Rankin Inlet, Claims, Employer, and Prevention Services employees provide quality care and service for stakeholders in Nunavut.

Legal Services

Legal Services manages the WSCC's legal and investigation requirements. Legal provides the WSCC with a full range of services from legal opinions to third party actions. Investigations protects the integrity of the Workers'

Protection Fund by targeting abuses of the system with innovative prevention techniques and appropriate detection methods.

Corporate Communications and Policy Services (CCPS)

Delivering open and transparent communication to internal and external clients is CCPS's main priority.

Communications develops marketing materials, promotes WSCC initiatives, and creates safety prevention and awareness campaigns. Policy manages the three-year Comprehensive Policy Review Plan, and facilitates stakeholder policy consultation on behalf of the Governance Council. The Review Committee provides the first level of client review in the appeals process.

Information Services

Information Services maintains the WSCC's information technology, and overall service delivery. Records Management is a part of this division, whose primary function is to guarantee proper archiving and storage of the WSCC's records.

Executive Services

Executive Services is the primary link between the WSCC and the Governance Council. It ensures decisions, directions, and requirements of the Governance Council, President & CEO, and the Ministers responsible are communicated throughout the organization. It is also responsible for corporate performance and planning to ensure key messages of the WSCC are consistent with the goals set by the Governance Council through coordination, evaluation, and communication of the WSCC's activities.

2011 YEAR AT A GLANCE

Territorial Demographics: *(Source: Statistics Canada)*	NWT	Nunavut	Total
Population	43,675	33,322	76,997
Number employed	28,211	11,465	39,676
Average weekly earnings	$1,245	$901	$1,133
Limited to the 10 largest communities in Nunavut (about 70% of the working-age population)			

Claimants:	2009	2010	2011
Number of claims reported	3,387	3,549	3,893
Number of claims established	2,808	3,022	3,209
Number of lost time compensated claims	819	932	956
Number of work related fatalities	3	5	18
Number of new pensions	100	106	101
Average composite duration of time-loss claims	41 days	42 days	45 days

Employers:	2009	2010	2011
Total number of assessable employers	3,464	3,490	3,664
Number of industry classes	8	8	8
Number of rate groups	24	24	24
Number of employers requesting additional optional coverage	517	520	532

Lost Time Injury Rate:	2009	2010	2011
Lost time injury frequency	2.17	2.47	2.36
The lost time injury frequency is defined as the number of lost time compensated injuries per 100 workers.			

Financial Indicators:	2009	2010	2011
Maximum annual insurable earnings (YMIR)	$72,100	$75,200	$82,720
Assessable payroll (in millions)	$2,069	$2,226	$2,443
Average provisional undiscounted assessment rate per $100 of assessable payroll	$2.04	$2.20	$2.08
Approved average provisional assessment rate per $100 of assessable payroll	$1.71	$1.80	$1.73
Actual average assessment rate per $100 assessable payroll	$1.56	$1.65	$1.76
Percentage funded	116%	116%	107%

Stakeholder Focus

We foster stakeholder relationships in safety and care through customer service excellence.

Objectives:

- Deliver fair and consistent service in the eyes of our stakeholders;
- Strengthen customer trust and respect through open and clear communication; and
- Promote safety education and awareness to create and maintain a safety culture.

The WSCC commits to provide Northern workers and employers with the necessary training and tools to create and maintain a safety culture. We strive to prevent workplace injuries, illnesses, and fatalities with a strong commitment to safety and prevention.

In 2011, the WSCC:

- Offered free safety education training to workers and employers;
- Promoted safety programs (in collaboration with our partners) and safety awareness campaigns; and
- Provided innovative new tools and initiatives for our stakeholders.

The WSCC continued to provide safety education training to workers and employers. The WSCC delivered 140 safety education courses in communities across the Northwest Territories and Nunavut — a 20 per cent increase over 2010. Our partnerships for the delivery of safety courses continued with the Northern Safety Association (NSA) and the Northern Territories Federation of Labour (NTFL). Both partners increased their attendance in 2011. The NSA certified 14 new employers under the Certificate of Recognition program (CORTM). The NTFL trained 397 workers in 2011, an increase of 15 per cent over the prior year.

The 2010/2011 *Safe Advantage* Program cycle ended with 135 employers in the program. Of these, 70 received refunds, 27 received penalties, 23 were neutral, and 15 forfeited their refunds. Under this program, the WSCC continues to work with employers to maintain excellent levels of safety and care for their workers.

In 2011, the WSCC published six bi-monthly Insight enewsletters and one edition of Reflections magazine. We also maintained our co-participation in the Day of Mourning ceremonies, NAOSH Week events, Mine Rescue Competition, and various tradeshows across the North.

The WSCC also implemented the following new initiatives:

- *One Life Logan* – we launched an online game that promotes workplace safety to young workers, age 13–25. The game teaches youth how important it is to take responsibility for their safety at work;
- Online Bill Payments – our stakeholders now have the option to pay WSCC bills online;
- Safety Sheets – we developed our first safety sheets for Ladder Safety and Scaffolding Safety. They are a great resource for employers to use in safety meetings and to provide to workers as a reference; and
- Radio Ad Campaign – the campaign promoted general safety awareness as well as worker and employer accountability in safety.

Organizational Excellence

We maintain an efficient and adaptive organization that supports service delivery.

Objectives:

- Promote employee growth and development;
- Continuously improve processes;
- Engage employees; and
- Ensure organizational efficiencies are in place.

The WSCC maintains its commitment to service excellence. To deliver excellent service, it is important that WSCC services, policies, and programs reflect the needs of stakeholders and that WSCC employees are qualified and satisfied.

In 2011, the WSCC:

- Obtained the Certificate of Recognition (COR™) certification;
- Developed quality service standards for our stakeholders; and
- Provided employees with multiple training opportunities.

The WSCC is proud to have successfully obtained COR™ certification. COR™ is an occupational health and safety accreditation for industry employers aimed at reducing the human and financial costs associated with workplace incidents and injuries. It demonstrates our commitment to safety and proves we lead by example.

To improve the quality of our service delivery, the WSCC developed internal and external Service Standards for each division. This exercise led the WSCC to review its processes and enhance procedures for more efficiency. It also provided an opportunity to align processes across both territories. The WSCC is committed to meeting each delivery target and will monitor, and report on, its performance with the Service Standards on a quarterly basis.

The WSCC promoted a positive work environment by offering training opportunities to employees, implementing various health and wellness initiatives, and providing employees with opportunities to give back to the community. Employees attended a total of 588 days of training in 2011, including group training such as Law Enforcement Investigations, First Aid, Plain Language, Respectful Workplace, Customer Service, and Leadership Skills. A total of 83 per cent of our employees participated in our last employee satisfaction survey; 96 per cent of participants indicated they like working with the WSCC. These survey results are an excellent indicator of high employee engagement.

Effective Governance

We provide efficient, accountable leadership and governance that represents the interests of the Northern workforce.

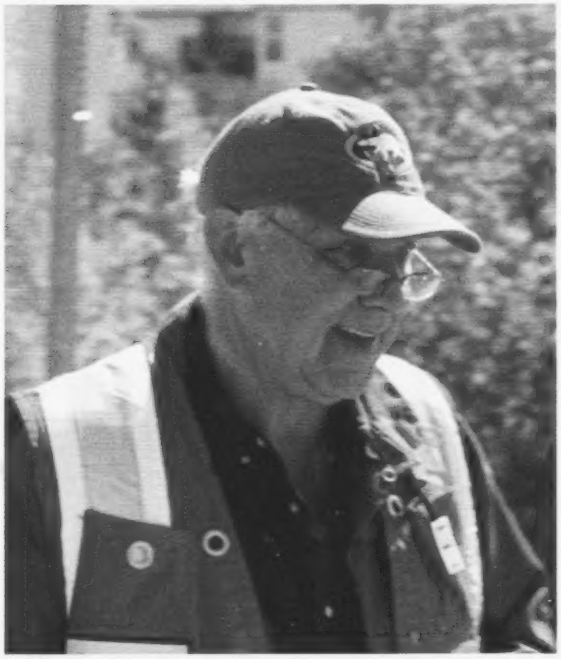
Objectives:

- Effective leadership; and
- Positive public image.

The WSCC is accountable to its stakeholders, with an open and transparent strategy to represent the interests of the Northern workforce. Through corporate reporting, consultation, satisfaction surveys, and strategic planning initiatives, the WSCC strives to enhance its public image.

In 2011 the WSCC:

- Adhered to its corporate performance reporting schedule;
- Continued promoting a positive public image; and
- Developed a three-year Strategic Plan for 2012-2014.



In January, the WSCC published its *Corporate Plan*. Stemming from the 2011 Corporate Plan, the WSCC continued to produce and distribute quarterly activities reports to stakeholders. These reports reviewed operations, activities, and programs to provide an update of what we did to achieve our goals.

The WSCC worked hard to heighten awareness of its corporate identity and public image. The WSCC attended and participated in tradeshows, volunteered at community events, and provided first aid support through our Medical First Responder (MFR) team at seven community events.

The WSCC also:

- Published six *Insight* newsletters;
- Designed a community-language WSCC/safety awareness poster;
- Promoted safety via a radio-ad campaign;
- Refreshed the *Don't Be a Number* campaign which promotes workplace safety to young workers age 13–25;
- Continued to support the initiatives of the *Northern Territories Federation of Labour*, and the *Northern Safety Association*;
- Promoted *Clear/Plain Language Protocol* via mandatory training for all WSCC employees; and
- Reinforced the *Media Relations Protocol*.

As the final year of the 2009-2011 Strategic Plan, the WSCC leadership team began planning for the next three years. In doing so, the WSCC refreshed its Vision, Mission, and Values, as well as its strategic priorities for 2012–2014. The new areas of focus build on our significant achievements, the challenges we face, and feedback received from our stakeholders.

Financial Sustainability

We meet the needs of our stakeholders without compromising WSCC financial sustainability.

Objectives:

- Achieve operational efficiencies;
- Provide fair and appropriate benefits and rates;
- Comply with the International Financial Reporting Standards (IFRS); and
- Sustain the *Workers' Protection Fund.*

Employer assessment premiums and investment returns fund the WSCC. Careful budget and expenditure control guarantees prudent use of resources to ensure the WSCC provides benefits and services to stakeholders now and in the future.

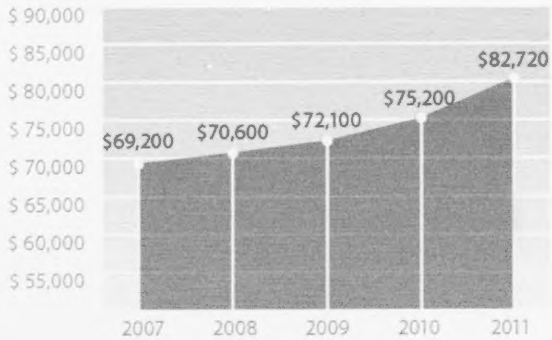
In 2011, the WSCC:

- Ensured the Year's Maximum Insurable Remuneration (YMIR) provided adequate compensation replacement;
- Performed payroll audits, classification reviews, and fraud investigations;
- Maintained assessment rates and administrative costs; and
- Ensured compliance with IFRS standards.

The WSCC calculates benefits using the workers' actual annual income up to a maximum called YMIR. The Governance Council increased the YMIR from $75,200 in 2010 to $82,720 in 2011.

This amount was estimated to provide full compensation replacement for 77 per cent of workers, meeting the WSCC's target of 70 – 80 per cent of the Northern workforce.

Year's Maximum Insurable Remuneration
Northwest Territories and Nunavut 2007-2011



The YMIR for 2011 was the third highest in Canada, as shown in the table below.

To ensure employers pay a fair assessment and are consistent with the payroll reporting requirements of the *Workers' Compensation Acts* and policies, the WSCC conducts mandatory audits of employer records. The WSCC performed 83 such audits in 2011. Assessment Audits substantiate the accuracy of employer reported assessable payroll.

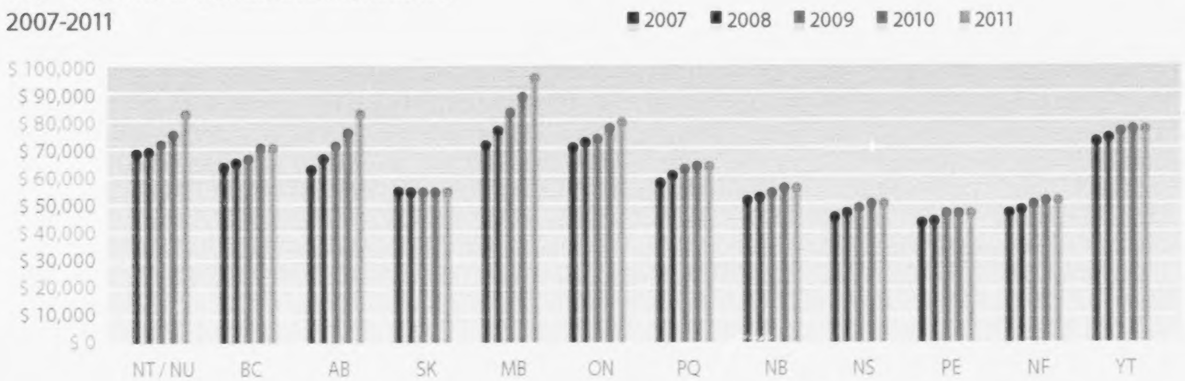
Based on the overall nature of operations, employers are assigned an industry classification and then assessed at the applicable rate for that industry. As there is a wide variance in industry rates and descriptions, classification errors are very costly. The WSCC conducts regular Assessment and Classification Reviews to ensure employers are properly classified based on their current operations. These reviews and site visits also serve as an opportunity to work one-on-one with employers to develop a better understanding of WSCC requirements and services. The WSCC conducted 81 such reviews in 2011.

In addition, the WSCC conducted 21 fraud investigations throughout the year.

In 2011, the average provisional assessment rate decreased to $1.73 per $100 of assessable payroll from $1.80 in 2010, a four per cent decrease. The WSCC also succeeded in reducing administration costs both in absolute dollar terms and as a percentage of assessable payroll.

The IFRS project team facilitated the transition to the new reporting standards, identifying the areas impacted as: employee benefits, leases, financial instruments, and capital assets.

Year's Maximum Insurable Remuneration
2007-2011



2011 ANNUAL REPORT

OUR FINANCES

WSCC Workers' Safety & Compensation Commission

MANAGEMENT COMMENTARY

For year ending: December 31, 2011

As part of the annual report, the management commentary provides further insights into the Workers' Safety and Compensation Commission's (WSCC) operations and finances. The following audited financial statements are integral to this analysis, and should be read in conjunction.

Forward-looking Information

This report contains forward looking information from which actual results may differ materially. Forward-looking information is subject to many risks and uncertainties as this information contains assumptions about the future. Forward-looking information includes, but is not limited to: WSCC goals, strategies, targets, outlook and funding strategies.

Risk and uncertainties about future assumptions may include, but are not limited to: the changing financial markets, industry and general economic conditions, legislation, accounting standards, appeals and court decisions, and other risks which are known or unknown. We caution the reader about placing too much reliance on forward-looking information contained in this document.

International Financial Reporting Standards

In 2008, the Canadian Accounting Standards Board announced that all publicly accountable enterprises with fiscal years beginning on, or after, January 1, 2011, must implement International Financial Reporting Standards (IFRS). Prior to 2011, the financial statements were prepared according to Canadian generally accepted accounting principles (GAAP). The WSCC adopted IFRS commencing January 1, 2011, including the preparation and one-year reporting of comparative figures. As a result, certain 2010 figures are restated to conform to IFRS.

Funding Policy

The Workers' Compensation Acts of the Northwest Territories and of Nunavut (the Act) requires that assessments are sufficient to finance the Workers' Protection Fund. This ensures the WSCC is able to meet its liabilities. WSCC's funding strategy aims to maintain a balance between providing affordable benefits to injured workers while maintaining stable and affordable employer assessment rates. The WSCC's long-term goal is to remain fully funded (ratio of assets to liabilities) in the range of 108 – 120%, not including excess funds. In 2010, the WSCC changed the calculation for the funded position from total assets divided by total liabilities plus the Catastrophe Reserve to total assets divided by total liabilities. This change enhanced the comparability to other compensation boards.

Excess funds (reserves) reduce the year-to-year impact of rate increases; resulting in rate stability, safeguards from volatile investment returns, minimized impact of a catastrophic event and enhanced security for claimant benefits. The assessment rate revenue in any given year may increase or decrease by an amount that allows WSCC to maintain its funding target. The funded ratio as at December 31, 2011 is 107%, down from 116% in 2010. The WSCC's funded position is slightly below its target range, but long-term liabilities remain fully funded.

The Governance Council and administration will discuss and review the funding target of 108-120% as part of 2013 rate setting in June to ensure that it meets the long-term financial strategy.

Overview of 2011 Financial Results

Significant events in 2011 that impacted financial results were three plane crashes in our Territories that resulted in 14 workplace fatalities. The total financial impact of these crashes is estimated at $8.2 million, with $0.2 million of the amount paid out in 2011. The impact on the Approved Pension Liability due to the fatalities is $8.0 million (including claims management expenses). The break down by incident is as follows:

- First Air, August 20, 2011 at Resolute Bay, NU $5.7 million;
- Arctic Sunwest, September 22, 2011 at Latham Island, Yellowknife, NT, $1.6 million; and
- Air Tindi, October 4, 2011 near Lutselk'e, NT $0.7 million.

In 2011, WSCC recorded a deficit of $19.8 million, which reduced the reserves to $19.7 million from $39.6 million in 2010. Primary cost drivers, not including plane crashes, are: cost of direct rate reduction on assessment rates and lower than expected investment returns. As a result, the WSCC's funded ratio decreased from 116% to 107%.

2011 Results and impact on Reserves (millions)

Reserves at December 31, 2010	$39.6
Expected future cost of pensions for plane crashes	(8.2)
Cost of direct rate reduction on assessment rates	(7.3)
Loss on investment returns	(5.2)
Lower than expected inflation	1.4
Lower than expected operating costs, change in valuation assumptions and financial recoveries, claims experience in 2011 on prior year's injuries	(0.6)
Reserves at December 31, 2011	**$19.7**

Statement of Financial Position

Investments

Benefits for injuries are paid in the year of injury and, for some workers, many years following the injury. The WSCC maintains an investment portfolio to secure the payment of future benefits including the cost of administration.

The portfolio asset mix remains unchanged from 2010. The benchmark portfolio includes fixed income investments at 30%; Canadian, US and international equities at 45%; real estate at 15%; and mortgages at 10%. The benchmark portfolio represents WSCC's long-term risk tolerance.

The long-term expected rate of return on the portfolio is 7.12%, which includes an assumed inflation rate of 3.5% and a real rate of return of 3.5%. For the one year period ending December 31, 2011, the portfolio rate of return was 4.6%; outperforming the market benchmark return for the same period by 2.7%. For the four year period ending December 31, 2011, the portfolio return was 3.2% versus the benchmark return of 2.5%. The portfolio rate of return for 2010 was 8.53%, 0.02% above the market benchmark. The shortfall in investment revenue relative to the target return of 7.12% resulted in a decrease of $5.2 million in reserves.

The key performing assets classes in 2011 were mortgages (8.0%), real estate (11.6%), fixed income (10.1%) and US equities (3.6%) with approximately $15 million in gains. Asset classes which detracted from performance over this period were Canadian Equities (-7.1%) and non-North American equities (-7.4%), representing approximately $5 million in losses.

Early in 2011, the markets continued the positive trend from 2010. The markets experienced increased volatility in the second half of the year as investors reacted to the debt crisis in Europe and concerns with US economic recovery. Markets improved in the fourth quarter and the WSCC's portfolio improved from 0.73% at third quarter to 4.6% at year-end.

Benefit Liabilities

The WSCC's benefit liability represents the actuarial present value of all expected future claim payments arising from incidents that occurred on or prior to December 31, 2011. These costs include hospital and medical service expenses, short-term income benefits, pension benefits for future pensions and related administration expenses. WSCC includes a provision for expected future claims for Hunters & Trappers in the liability in accordance with the Memorandums of Understanding on Renewable Resources Harvesters.

Benefit liabilities increased in 2011 by 9.2% from $241.3 million to $263.4 million and is due primarily to higher than expected payments for both prior year and current year claims in medical aid and compensation along with higher than expected pension awards in 2011. Offsetting the increased costs was an inflation experience gain of $1.4 million due to actual inflation being lower than anticipated.

Reserves

WSCC's reserves represent the excess funds after ensuring future claims liabilities are fully funded. WSCC maintains five reserves: operating, catastrophe, investment fluctuation, safety, and capital replacement. Note 13 in the accompanying financial statements provide information on the purpose of each reserve and the target levels. The operating and catastrophe reserves are currently below target levels due to the impact of the $19.8 million deficit in 2011. Strategic discussions and decision making on replenishment of the reserves are underway between the Governance Council and its Administration.

The table below shows funded position along with reserve balances. Cash refunds given to employers in 2007 and global economic instability in 2008 impacted funded position and reserve balances.

	2006	2007	2008
Funded Position	144%	133%	117%
Reserves Balance (millions)	$103.90	$91.60	$41.20

	2009	2010	2011
Funded Position	116%	116%	107%
Reserves Balance (millions)	$39.80	$39.50	$19.70

Statement of Comprehensive Loss

Revenue

WSCC's two main sources of revenues are assessment and investment incomes. In 2011 revenues totaled $53.9 million, a 6.7% decrease from 2010 revenues of $57.8 million.

Assessment Revenue

Assessment revenue is expected to fund the annual costs of new injuries and the operating costs to maintain the system. Assessment revenue consists of premiums from registered employers and contractors. Annually, the actuary provides information to assist with setting the provisional target rate for the following year.

In 2011, the expected true cost of new injuries and operating costs was $2.08 per $100 of insurable payroll. The provisional target rate for 2011 was set at $1.73; this included a direct rate reduction of $0.35 per $100 of insurable payroll. The direct rate subsidy has been applied to rates since 1999 to reduce excess reserves and provided $7.3 million in assessment relief to employers in 2011.

The average actual rate paid by employers in 2011 was $1.77, slightly higher than the provisional rate of $1.73. This indicates that the mix of payroll amounts

submitted by employers in high-rate and low-rate industries was slightly different than anticipated.

Increased economic activity in the north provided for a larger payroll base in 2011, $2.44 billion versus $2.33 billion in 2010. Improvements in the northern economy along with increases in actual average assessment rate from 2010 to 2011 and an increase to the yearly maximum insurable earnings (YMIR) all contributed to an overall increase in assessment revenue in 2011. Assessment payroll revenue increased 17.1% to $43.1 million from $36.8 million in 2010.

The provisional rate for 2012 is $1.77 per $100 of assessable payroll.

Investment Income

Investment income is derived from the long-term investment portfolio managed by external investment managers. The WSCC's investments are classified as held for trading because they are acquired for the purpose of selling or repurchasing in the near term and are measured at fair value through profit or loss. Annual changes in fair value are recognized as investment income/loss in the statement of comprehensive income. Interest and dividends are recognized in the period earned. Transaction costs are recognized as expense in the period incurred. Purchases and sales of investments are recognized on the trade date.

The investment market has been volatile since 2008. WSCC's expected long-term rate of return on investments is 7.12%. In 2011, investments earned 4.6% or $10.9 million revenue, $5.2 million less than required; as compared to 2010 where investments earned 8.3% return and $5.4 million more than required to fund the interest charged on the claims liability. The four-year average rate of return of 3.2% is still reflective of the 2008 market correction.

Expenses

Claim Costs

Claim costs represent the costs incurred in the current year for current and prior year injuries. Net of recoveries in 2011 these costs totaled $58.8 million, a 42% increase from the $41.4 million incurred in 2010. This increase is attributable almost entirely to the current and future expected costs of current year's injuries.

Administrative Costs

Overall administration and general expenses decreased slightly, to $23.7 million in 2011 from $24.0 million in 2010.

General Risks

The WSCC is inherently susceptible to risks if unmitigated. To assist in the minimization of risks, the WSCC established policies, procedures and internal controls. The internal auditor, who reports to the Governance Council, regularly performs financial and operational audits to test compliance. Risks that are the most significant to the WSCC's performance and financial position include the cost of benefits paid to claimants and investment returns.

Benefit Costs

Benefit costs are susceptible to many variables, including the workers' and employers' attitude to health and safety; aging of the workforce; return to work practices; the WSCC's effectiveness in processing and managing claims; appeal decisions; and the state of the Northern economy.

The following are in place to mitigate benefit cost risks:

- Established processes for managing claims in accordance with legislation, and
- Targeted programs such as Safe Advantage and Return to Work for large or high risk industries.

Investment Returns

The Governance Council is responsible for setting WSCC's investment policy. In 2010, a review of the asset mix was undertaken, which considered the nature of the business and the Governance Council's risk tolerance. The asset mix changed slightly as a result of this asset mix study. The WSCC's assets are diversified among a variety of asset classes to optimize returns and manage risk. The investment portfolio is managed by several external investment managers.

The WSCC cannot directly control some risks. These risks include market volatility and interest rate changes. Investment returns that are significantly different than the long-term expectation for returns in the funding strategy can impact the WSCC's funded position.

Forward Looking

The WSCC operates as a going concern. The approved funding strategy supports the WSCC's ability to remain financially sustainable while maintaining the system and balancing worker and employer needs.

WSCC is currently reviewing the methodology used to index pension awards in the claims system. The Supplementary Pension Index (SPI) portion of the monthly pension payments is currently under detailed review. This review will be completed in 2012 and the results of the study may impact the monthly pension awards for active claimants at December 31, 2011. Once the review is complete any underpayments to pensioners will be reimbursed and any overpayments will be forgiven.

The WSCC experienced a significant decline in the funded position in 2011, primarily attributable to investment market returns of less than 7 percent and to the plane crashes. WSCC Administration and the Governance Council will review the impact as part of the annual budget and rate setting process from June to September 2012.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements as at 31 December 2011, 31 December 2010, and 1 January 2010 and for the years ended 31 December 2011 and 31 December 2010 of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), and all information in this annual report are the responsibility of the Commission's management and were reviewed and approved by the Governance Council. The financial statements were prepared in accordance with International Financial Reporting Standards and include some amounts, such as the benefits liability, that are necessarily based on management's best estimates and judgement. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized and in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

The Governance Council is responsible to ensure management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility and is composed of Directors who are not employees of the Commission. The Governance Council meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Governance Council.

The Auditor General of Canada annually provides an independent, objective audit of the financial statements for the purpose of expressing his opinion on these financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all material respects, in accordance with specified legislation.

Morneau Shepell, an independent firm of consulting actuaries, performed an actuarial valuation and provided an opinion on the adequacy and appropriateness of the benefits liability of the Commission.

Dave Grundy

Dave Grundy
President and CEO

Gloria Badari

Gloria Badari
Vice-President of Financial Services

22 May 2012

ACTUARIAL STATEMENT OF OPINION

MORNEAU SHEPELL

I have completed the actuarial valuation of the benefit liabilities of the Workers' Safety and Compensation Commission (the "Commission") as at December 31, 2011 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

In my opinion:

1. The data on which the valuation is based were supplied by the Commission in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable, with the exception of the Approved Pension data, to permit a realistic valuation of the liabilities of the Commission. Subsequent to the valuation date, the Commission identified calculation deficiencies with respect to the supplementary pension increase portion of some approved pension awards. Due to the large number of pension awards and the complexity of the award calculations, the Commission had not completed its review of the calculations at the time this report was written. The results of the review may or may not have a material impact on the Approved Pension liability.
2. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the Commission.
4. The estimate of the actuarial liabilities as at the valuation date is $263,368,000. This includes provisions for benefits and future administration expenses expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes the Hunters & Trappers group but does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.
5. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations (excluding long latency occupational diseases) and the financial statements fairly present the results of the valuation.
6. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
7. The valuation is based on the provisions of the Workers' Compensation Act S.N.W.T. 2007, c. 21, the Workers' Compensation Act S.Nu. 2007, c. 15 and on the Commission's policies and practices in effect on the valuation date.

Thane MacKay

Thane MacKay, F.C.I.A

This report has been peer reviewed by Howard Slaney, F.C.I.A.

Auditor General of Canada
Vérificatrice générale du Canada

INDEPENDENT AUDITOR'S REPORT

To the Ministers responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut

Report on the Financial Statements

I have audited the accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut, which comprise the statements of financial position as at 31 December 2011, 31 December 2010 and 1 January 2010, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended 31 December 2011 and 31 December 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT

Basis for Qualified Opinion

As described in Note 11 of the financial statements, the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut identified that a portion of the monthly pension payments of some pensioners is not being calculated correctly and some individuals received incorrect payments. Management has been unable to determine the effects of this error on the benefits liability, accounts payable and accrued liabilities, claims costs and claim payments. Consequently, I was unable to obtain sufficient and appropriate audit evidence for those balances and I was unable to determine whether any adjustments might be necessary to the liabilities and equity as at 31 December 2011 and to the claims costs, comprehensive loss and cash flows for the year ended 31 December 2011.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut as at 31 December 2011,31 December 2010 and 1 January 2010, and its financial performance and its cash flows for the years ended 31 December 2011 and 31 December 2010 in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of the Northwest Territories and of Nunavut, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied, after giving retrospective effect to the adoption of the new standards as explained in Note 4 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, proper books of accounts have been kept by the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut and the financial statements are in agreement therewith. In addition, the transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut that have come to my notice during my audits of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations of the Northwest Territories and of Nunavut and the *Workers' Compensation Act* and regulations of the Northwest Territories and of Nunavut.

Terrance DeJong

Terrance DeJong, CA
Assistant Auditor General
for the Auditor General of Canada

22 May 2012
Edmonton, Canada

STATEMENT OF FINANCIAL POSITION

(in thousands of Canadian Dollars)

	As at 31 December		As at 1 January
	2011	2010	2010
ASSETS			
Cash and cash equivalents (Note 5)	**$ 425**	$ 5,543	$ 7,097
Investments (Note 6)	**274,809**	270,527	268,098
Assessments receivable (Note 7(a))	**2,013**	1,667	816
Other receivables (Note 7(b))	**2,117**	337	153
Prepaid expenses	**168**	275	290
Property and equipment (Note 8)	**5,509**	5,481	4,180
Intangible assets (Note 9)	**3,021**	3,403	3,350
	288,062	287,233	283,984
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accrued liabilities	**2,984**	3,485	3,337
Assessments refundable	**1,009**	981	1,846
Giant Mine payable (Note 10)	**-**	930	5,004
Benefits liability (Note 11)	**263,369**	241,295	233,025
Post-employment benefits (Note 12(b))	**983**	983	931
	268,345	247,674	244,143
Equity (Note 13)			
Operating reserve	**(14,044)**	5,236	7,578
Capital asset replacement reserve	**301**	187	-
Investment fluctuation reserve	**13,548**	16,475	10,558
Safety reserve	**100**	105	105
Catastrophe reserve	**19,812**	17,556	21,600
	19,717	39,559	39,841
	$ 288,062	$ 287,233	$ 283,984

Commitments (Note 14), Contingencies (Note 15)

The accompanying notes form an integral part of these financial statements.

Approved by the Governance Council:

William Aho
Chairperson, Governance Council

STATEMENT OF COMPREHENSIVE LOSS

For the year ended 31 December
(in thousands of Canadian Dollars)

	2011	2010
REVENUE AND INCOME		
Assessments	$ 43,174	$ 37,002
Add: Safe Advantage penalties	563	220
Less: Safe Advantage refunds	(841)	(607)
Net assessment revenue	42,896	36,615
Investments		
Interest	7,296	6,526
Dividends	1,312	1,046
Investment gains – net (Note 6(d))	3,236	14,381
Investment fees	(857)	(767)
Net investment income	10,987	21,186
	53,883	57,801
EXPENSES		
Claims costs		
Claims costs, current year injuries (Note 11(b))	41,727	26,635
Claims costs, prior years' injuries (Note 11(b))	18,557	15,679
Order to pay costs (recoveries), Giant Mine payable (Note 10)	13	(72)
Third party legal claim recoveries	(250)	(226)
Recoveries for hunters and trappers	(1,229)	(552)
	58,818	41,464
Administration and general expenses (Note 17)	14,907	16,619
	73,725	58,083
COMPREHENSIVE LOSS	$ (19,842)	$ (282)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December
(in thousands of Canadian Dollars)

	Operating reserve/(deficit)	Capital asset replacement reserve	Investment fluctuation reserve	Safety reserve	Catastrophe reserve	Total
Balance at 1 January 2010	**$ 7,578**	**$ —**	**$ 10,558**	**$ 105**	**$ 21,600**	**$ 39,841**
Total comprehensive loss for 2010	(282)	—	—	—	—	(282)
Transfer to investment fluctuation reserve – current year's gains	(8,557)	—	8,557	—	—	—
Transfer from Investment fluctuation reserve – prior years	2,640	—	(2,640)	—	—	—
Transfer to catastrophe reserve	(960)	—	—	—	960	—
Transfer from catastrophe reserve – Giant Mine	5,004	—	—	—	(5,004)	—
Transfer to capital asset replacement reserve	(187)	187	—	—	—	—
Balance at 31 December 2010	**5,236**	**187**	**16,475**	**105**	**17,556**	**39,559**
Total comprehensive loss for 2011	(19,842)	—	—	—	—	(19,842)
Transfer from safety reserve – safety awareness lesson	5	—	—	(5)	—	—
Transfer to investment fluctuation reserve – current year's gains	(2,589)	—	2,589	—	—	—
Transfer from investment fluctuation reserve – prior year's gains	5,516	—	(5,516)	—	—	—
Transfer to catastrophe reserve	(2,256)				2,256	
Transfer to capital asset replacement reserve	(270)	270	—	—	—	—
Transfer from capital asset replacement reserve	156	(156)	—	—	—	—
Balance at 31 December 2011	**$ (14,044)**	**$ 301**	**$ 13,548**	**$ 100**	**$ 19,812**	**$ 19,717**

Capital management and reserves (Note 13)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December
(in thousands of Canadian Dollars)

	2011	2010
OPERATING ACTIVITIES		
Cash received from:		
Assessments from employers	**$ 43,484**	$ 35,299
Investment accounts	—	11,949
Dividends	**1,313**	1,046
Interest	**7,296**	6,527
Cash paid to:		
Payments to claimants or third parties on their behalf	**(36,731)**	(33,192)
Purchases of goods and services	**(16,568)**	(15,833)
Investment accounts	**(1,109)**	—
Paid cost of judgment to Giant Mine defendants (Note 10)	**(943)**	(4,002)
Assessment rebate	**(841)**	(607)
Cash (used in) provided by operating activities	**(4,099)**	1,187
INVESTING ACTIVITIES		
Purchase of property and equipment	**(852)**	(2,188)
Purchase of intangible assets	**(167)**	(553)
Cash used in investing activities	**(1,019)**	(2,741)
Decrease in cash and cash equivalents	**(5,118)**	(1,554)
Cash and cash equivalents, beginning of year	**5,543**	7,097
Cash and cash equivalents, end of year	**$ 425**	$ 5,543

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011
(in thousands of Canadian Dollars)

1. Nature of operations

The Workers' Safety and Compensation Commission (the Commission) is domiciled in Canada. The Commission, a territorial entity, was established and operates under the authority of the *Workers' Compensation Acts* of the Northwest Territories and Nunavut (the Act). In addition, the Commission is also responsible for the administration of the *Safety Acts*, *Mine Health and Safety Acts*, and the *Explosives Use Acts* of the Northwest Territories and Nunavut. The Commission is exempt from income tax and the goods and services tax.

The Commission has its corporate office in Yellowknife, Northwest Territories, Canada, and area offices are in Inuvik, Northwest Territories, Rankin Inlet and Iqaluit, Nunavut.

The Commission's mandate is to provide benefits to injured workers and to levy assessments against employers to cover the current and future costs of existing claims. The Commission is also responsible for developing safety awareness programs and monitoring safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an inter-governmental agreement for a shared Workers' Safety and Compensation Commission to allow the Commission to remain as a single entity serving both territories. Cancellation of this agreement by either party requires notice of one full fiscal year.

2. Statement of compliance, basis of preparation and summary of significant accounting policies

The financial statements of the Commission have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements for the year ended 31 December 2011 are the first the Commission has prepared in accordance with IFRS. Refer to Note 4 for information on how the Commission adopted IFRS.

The financial statements were authorized for issue by the Governance Council on 22 May 2012.

The financial statements have been prepared on a historical cost basis, except for investments classified as held-for-trading that have been measured at fair value. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated. The following is a summary of the significant accounting policies:

a) Cash and cash equivalents

For the purposes of the statement of cash flows and the statement of financial position, cash and cash equivalents include cash and money market instruments with initial maturities up to three months. Cash and short-term investments held by investment managers for investment purposes are excluded from cash and cash equivalents.

b) Assessments receivable and assessments refundable

At the beginning of each year, the Commission levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between estimated payroll and actual payroll is recognized either as assessment revenue and recorded as a receivable, or as reduction in assessment revenue and recorded as assessment refundable.

Revenues received from assessments are recorded in the year the actual assessable payroll was paid by the employers to their employees.

Assessments receivable and assessments refundable are classified as loans and receivables and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts receivable and assessments refundable, their carrying values approximate their fair values.

Collectability of receivables is reviewed on an ongoing basis using judgment. An allowance for doubtful accounts is recorded for assessments receivable when there is objective evidence that the amounts due will not be able to be collected in accordance with the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the estimated future cash flows. The amount of the allowance raised, used or, derecognized, is recognized in the statement of comprehensive loss. The Governance Council must approve all assessments receivable write-offs.

c) Recoveries from third parties

Under section 64 of the *Workers' Compensation Acts* of the Northwest Territories and Nunavut, the Commission is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim are deducted from the settlement. Any funds remaining will be paid to the claimant. This is over and above any future benefits entitlement.

Revenues received from third party recoveries are recorded in the year the settlement occurs. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

d) Investments

Investments are classified as held for trading because they are acquired for the purpose of selling or repurchasing in the near term and are measured at fair value through profit or loss with changes in fair value recognized in investment income in the statement of comprehensive loss.

Interest and dividends are recognized as income in the period earned. Transaction costs are recognized as an expense in the period incurred. Purchases and sales of investments are recognized on the trade date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends, and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year-end and transactions during the year are recorded in investment income in the statement of comprehensive loss.

The Commission uses the following hierarchy for determining and disclosing the fair value of its investments by

valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an asset's assigned level. There were no such transfers between levels in 2011 (2010 – no transfers).

The fair value for publicly traded investments is based on quoted market prices and privately held investments, such as pooled fund units, and are measured using a multi-dealer blended price. The fair value of mortgage assets is determined by external appraisers comparing the property values to other completed transactions or listings in the market, and further discounted cash flow analysis based on market rents using discount rates comparable in the market.

e) Property and equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method as follows:

Building	25 years
Furnishings	10 years
Equipment	2 - 6 years
Vehicles	5 years
Leasehold improvements	lesser of useful life or lease term

Where an item of property and equipment comprises of significant components with different useful lives, the components are accounted for separately. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Estimates in respect of certain items of property and equipment were revised in 2011 (see note 8). Depreciation expense is recognized in administration and general expenses in the statement of comprehensive loss.

f) Intangible assets

Intangible assets are made up of computer application software and are comprised of purchased software and internally developed software systems. These amounts are recorded at cost and amortized over the asset's estimated useful life (2 – 15 years) using the straight-line method. Amortization expense is recognized in administration and general expenses in the statement of comprehensive loss.

g) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as other financial liabilities and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts payable and accrued liabilities, their carrying values approximate their fair values.

h) Benefits liability

The benefits liability represents the present value of expected future payments in respect of medical aid benefits, compensation payments, and pensions in respect of claims arising from accidents occurring prior to the end of the fiscal year. The benefits liability also includes an allowance for future claims management costs.

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The benefits liability is determined annually by an independent actuarial valuation. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

The benefits liability includes provision for all benefits provided by current legislation, policies, and administrative practices. A provision for future claims arising from latent occupational diseases was not included in this valuation as it cannot be reliably measured.

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is reviewed by the independent actuary for reasonableness as part of the annual actuarial valuation of the benefits liability.

i) Employee benefits

Pension benefits

Substantially all of the employees of the Commission are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

Post-employment benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for severance upon resignation, or retirement based on years of service and final salary, and ultimate removal assistance based on years of service. The benefit obligation is determined on an actuarial basis. The liability for accrued employee benefits is based on the 31 December 2011 actuarial valuation as calculated by the Commission's actuary. Any actuarial gains or losses are recognized in the statement of comprehensive loss in the year they are incurred. The obligation for resignation, retirement and ultimate removal assistance is calculated using the projected unit credit method prorated on service.

j) Leases

Judgement is used to classify leases as financing or operating depending on the terms and conditions of the contracts. The costs of assets acquired under financing leases are amortized on a straight-line basis over the term of the lease. Obligations recorded under financing leases are reduced by lease payments net of imputed interest. Expenses incurred under operating leases are recognized as expenses in the statement of comprehensive loss on a straight-line basis over the term of the lease.

k) Impairment of non-financial assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Commission estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Based on an analysis of cash flows, the Commission has established that the appropriate cash generating unit for impairment review is the entity. The Commission has statuary power under the Act to increase premiums and /or charge a premium surcharge to ensure full funding into the foreseeable future and impairment at the entity level is remote.

As at 31 December, management conducted an impairment review at the entity level, which confirmed that there were no indicators of impairment – changes in the legislative, economic or business environment – that would have a material impact on the Commission's ability to generate future economic benefits from its operating (non-financial) assets.

l) New and revised accounting standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Commission's financial statements are listed below. This listing is of standards and interpretations issued, which the Commission reasonably expects to be applicable at a future date. The Commission intends to adopt those standards when they become effective.

IFRS 9 *Financial Instruments*

IFRS 9 as issued reflects the first phase of the International Accounting Standards Board's (IASB) work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement* and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. The extent of the impact of adoption of IFRS 9 has not yet been determined.

IFRS 13 *Fair Value Measurement*

In May 2011, the IASB published IFRS 13, which is effective prospectively for annual periods beginning on or after 1 January 2013. IFRS 13 replaces fair value measurement guidance contained in individual IFRSs, providing a single source of fair value measurement guidance. The standard provides a framework for measuring fair value and establishes new disclosure requirements to enable readers to assess the methods and inputs used to develop fair value measurements and for recurring valuations that are subject to measurement uncertainty, the effect of those measurements on the financial statements. The Commission intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on 1 January 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

Other changes to standards with no expected impact

In June 2011, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* addressing the presentation of items of other comprehensive income. The amendments are effective beginning on 1 January 2012 with retrospective application and early adoption permitted. The adoption of these amendments is not expected to have any impact on the Commission's financial statements because the Commission does not have any items of other comprehensive income.

In June 2011, the IASB issued amendments to IAS 19 *Employee Benefits* to eliminate the corridor method that permits the deferral of actuarial gains and losses, to revise the presentation requirements for changes in defined benefit plan assets and liabilities and to enhance the required disclosures for defined benefit plans. The amended standard is effective beginning on 1 January 2013 with retrospective application and early adoption is permitted. The adoption of the amended standard is not expected to have a material impact on the Commission's financial statements because the Commission does not use the corridor method to defer actuarial gains and losses.

3. Critical accounting estimates and judgements

The Commission makes estimates and judgements in respect of certain key assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate are revised and in any future periods affected.

In particular, information about significant areas of estimated uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 – Investments
- Note 8 – Property and equipment
- Note 11 – Benefits liability
- Note 12 – Employee benefits

In particular, information about applying critical judgements in accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Notes 2(b) and 7(a) – Assessments receivable
- Notes 2(e) and 8 – Property and equipment
- Note 2(j) – Leases

4. First-time adoptions of IFRS

As explained in Note 2, the Commission has prepared financial statements that comply with IFRS applicable for periods ending on or after 31 December 2011, together with the comparative period data as at and for the year ended 31 December 2010. In preparing these financial statements, the Commission's opening statement of financial position (previously referred to as the Balance Sheet) was prepared as at 1 January 2010, the Commission's date of transition to IFRS. This note explains the principal adjustments made by the Commission in restating its pre-changeover Canadian GAAP statement of financial position as at 1 January 2010 and its previously published pre-changeover Canadian GAAP financial statements as at and for the year ended 31 December 2010.

Exemptions applied

IFRS 1 *First-Time Adoption of International Financial Reporting Standards* allows first-time adopters certain exemptions from the retrospective application of certain IFRS. The Commission has applied the following exemptions:

- The Commission has applied the transitional provision in IFRIC 4 *Determining Whether an Arrangement Contains a Lease* and has assessed all arrangements not previously assessed under EIC-150 *Determining Whether an Arrangement Contains a Lease* based upon the conditions in place as at the date of transition.

- The Commission has elected to apply the transitional provisions in IFRS 4 *Insurance Contracts*, and disclose only five years of data in its claim development tables, as permitted by IFRS 4 in the year of adoption of IFRS. The disclosure will be increased in each succeeding additional year, until the full ten years of information is included.

- In relation to post-employment benefits, the Commission has elected to disclose the following amounts prospectively from the date of transition (IFRS ordinarily requires the amounts for the current and previous four annual periods to be disclosed): (i) the present value of the defined benefit obligation; and (ii) the experience adjustments (actuarial gains and losses) arising on the plan liabilities.

Estimates

The estimates at 1 January 2010 and at 31 December 2010 are consistent with those made for the same dates in accordance with pre-changeover Canadian GAAP (after adjustments to reflect any differences in accounting policies).

(in thousands of Canadian Dollars)

Reconciliation of the Commission's equity as at 1 January 2010 (date of transition to IFRS)

	Notes	Pre-changeover Canadian GAAP	Remeasurements & reclassifications	IFRS as at 1 January 2010
ASSETS				
Cash and cash equivalents		$ 7,097	$ -	$ 7,097
Investments		268,098	-	268,098
Assessments receivable		816	-	816
Other receivables		153	-	153
Prepaid expenses		290	-	290
Property and equipment		4,180	-	4,180
Intangible assets		3,350	-	3,350
		283,984	-	283,984
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accrued liabilities		3,337	-	3,337
Assessments refundable		1,846	-	1,846
Giant Mine payable		5,004	-	5,004
Benefits liability		233,025	-	233,025
Post-employment benefits	A	849	82	931
		244,061	82	244,143
Equity				
Operating reserve	A	7,660	(82)	7,578
Capital asset replacement reserve		-	-	-
Investment fluctuation reserve		10,558	-	10,558
Safety reserve		105	-	105
Catastrophe reserve		21,600	-	21,600
		39,923	(82)	39,841
		$ 283,984	$ -	$ 283,984

(in thousands of Canadian Dollars)

Reconciliation of the Commission's equity as at 31 December 2010

	Notes	Pre-changeover Canadian GAAP	Remeasurements & reclassifications	IFRS as at 31 December 2010
ASSETS				
Cash and cash equivalents		$ 5,543	$ -	$ 5,543
Investments		270,527	-	270,527
Assessments receivable		1,667	-	1,667
Other receivables		337	-	337
Prepaid expenses		275	-	275
Property and equipment		5,481	-	5,481
Intangible assets		3,403	-	3,403
		287,233	-	287,233
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accrued liabilities		3,485	-	3,485
Assessments refundable		981	-	981
Giant Mine payable		930	-	930
Benefits liability		241,295	-	241,295
Post-employment benefits	A	894	89	983
		247,585	89	247,674
Equity				
Operating reserve	A	5,325	(89)	5,236
Capital asset replacement reserve		187	-	187
Investment fluctuation reserve		16,475	-	16,475
Safety reserve		105	-	105
Catastrophe reserve		17,556	-	17,556
		39,648	(89)	39,559
		$ 287,233	$ -	$ 287,233

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011
(in thousands of Canadian Dollars)

Reconciliation of the Commission's comprehensive loss for the year ended 31 December 2010

	Notes	Pre-changeover Canadian GAAP	Remeasurements & reclassifications	IFRS year ended 31 December 2010
REVENUE				
Assessments	B	$ 36,795	$ 207	$ 37,002
Add: Safe Advantage penalties		220	-	220
Less: Safe Advantage refunds		(607)	-	(607)
Net assessment revenue		36,408	207	36,615
Investments				
Interest	B	7,572	(1,046)	6,526
Dividends	B		1,046	1,046
Investment gains – net (Note 6(d))		14,381	-	14,381
Investment fees		(767)	-	(767)
Net investment income		21,186	-	21,186
		57,594	207	57,801
EXPENSES				
Claims costs				
Claims costs, current year injuries (Note 11(b))		26,635	-	26,635
Claims costs, prior years' injuries (Note 11(b))		15,679	-	15,679
Order to pay costs, Giant Mine payable (Note 10)		(72)	-	(72)
Third party legal claim recoveries		(226)	-	(226)
Recoveries for hunters and trappers		(552)	-	(552)
		41,464	-	41,464
Administration and general expenses (Note 17)	A/B	16,405	214	16,619
		57,869	214	58,083
COMPREHENSIVE LOSS		$ (275)	$ (7)	$ (282)

(in thousands of Canadian Dollars)

Notes to the reconciliation of equity as at 1 January 2010 and 31 December 2010 and total comprehensive loss for the year ended 31 December 2010:

A) Post-employment benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement, and ultimate removal assistance based on years of service and final salary, these benefits meet the definition of a post-employment benefit under IAS 19 *Employee Benefits* and as a result has been measured based on an actuarial valuation using the projected unit credit method with actuarial gains and losses recognized as an expense as incurred. At the date of transition, this resulted in an increase in accrued post-employment benefits of $82 and a decrease in the operating reserve. In addition, this resulted in an increase of $7 in accrued post-employment benefits and salaries and benefits expense for the year ended 31 December 2010.

B) Reclassification of expenses

The Commission in order to ensure compliance with IAS 1 *Presentation of Financial Statements* has reviewed all material expenses and reclassified expenses where appropriate, these reclassifications do not have an effect on the financial results of the Commission.

Statement of cash flows

The transition from pre-changeover Canadian GAAP to IFRS has not had a material impact on the statement of cash flows.

5. Cash and cash equivalents

The Commission invests in short-term money market instruments. The market yield of this portfolio for the year was 0.89% (2010 – 0.50%). All instruments held in cash and cash equivalents are readily convertible to cash and are held in high quality debt obligations issued or guaranteed by federal, provincial, or territorial governments, Canadian chartered banks, or loan or trust companies registered in Canada.

	As at 31 December		As at 1 January
	2011	2010	2010
Short-term investments	**$ 384**	$ 3,167	$ 1,064
Cash	**41**	2,376	6,033
	$ 425	$ 5,543	$ 7,097

6. Investments

The Commission's investment portfolio consists of fixed income, equity, and real estate portfolio investments. The Commission's investment objective is to achieve a long-term rate of return that is sufficient to allow the Commission to fund its benefits liability, cover its operating costs, and set reasonable and stable assessment rates for employers. All investments, including cash and cash equivalents managed by investment managers, are designated as held for trading.

For the year ended 31 December 2011
(in thousands of Canadian Dollars)

	31 December				**1 January**	
	2011		2010		2010	
	Fair Value	**Cost**	Fair Value	Cost	Fair Value	Cost
Fixed income	**$ 127,401**	**$ 111,969**	$ 116,420	$ 107,193	$ 125,915	$ 120,459
Real estate	**37,394**	**36,214**	33,502	34,414	30,061	32,905
Equities	**110,014**	**110,774**	120,605	125,397	112,122	123,542
Total	**$ 274,809**	**$ 258,957**	$ 270,527	$ 267,004	$ 268,098	$ 276,906

a) Fixed income investments

The fair value and cost of the fixed income investments are as follows:

	31 December				**1 January**	
	2011		2010		2010	
	Fair Value	**Cost**	Fair Value	Cost	Fair Value	Cost
Fixed income securities	**$ 42,138**	**$ 38,904**	$ 38,185	$ 36,442	$ 37,748	$ 36,953
Add pooled funds						
Indexed bond funds	**48,880**	**45,634**	44,560	43,320	54,220	53,506
Mortgages	**36,383**	**27,431**	33,675	27,431	33,947	30,000
	$ 127,401	**$ 111,969**	$ 116,420	$ 107,193	$ 125,915	$ 120,459

The Commission uses judgment to classify securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

Included in the above amounts are investments in privately held related party bonds, as disclosed in Note 18. The cumulative unrealized gains in 2011 on the privately held investments were $623 (2010 – $468).

The cumulative unrealized gains on fixed income investments are as follows:

	31 December		1 January
	2011	2010	2010
Fixed income – cost	**$ 111,969**	$ 107,193	$ 120,459
Cumulative unrealized gains	**15,432**	9,227	5,456
Fixed income – fair value	**$ 127,401**	$ 116,420	$ 125,915

(in thousands of Canadian Dollars)

The remaining term to maturity of the other fixed income investments are as follows:

	Within 1 Year	1 to 2 Years	2 to 5 Years	5 to 10 Years	Over 10 Years	**Fair Value 31 Dec 2011**	Fair Value 31 Dec 2010	Fair Value 1 Jan 2010
Cash, short term investments and net payable in investment manager accounts	$ 1,346	$ -	$ -	$ -	$ -	**$ 1,346**	$ 813	$ 1,666
Government bonds	1,507	5,092	1,662	9,030	12,153	**29,444**	26,423	26,042
Corporate bonds	601	722	3,439	1,744	4,842	**11,348**	10,107	9,587
Mortgage backed bonds	-	-	-	-	-	-	842	453
	$ 3,454	$ 5,814	$ 5,101	$10,774	$16,995	**$ 42,138**	$ 38,185	$ 37,748

b) Real estate

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

The cumulative unrealized gains (losses) on the real estate portfolio investments are as follows:

	31 December		1 January
	2011	2010	2010
Canadian properties – cost	**$ 36,214**	$ 34,414	$ 32,905
Cumulative unrealized gains (losses)	**1,180**	(912)	(2,844)
Canadian properties – fair value	**$ 37,394**	$ 33,502	$ 30,061

c) Equities

The fair value and cost of the equity investments are as follows:

	31 December				1 January	
	2011		2010		2010	
	Fair Value	**Cost**	Fair Value	Cost	Fair Value	Cost
Canadian equities	**$ 41,695**	**$ 34,782**	$ 52,053	$ 38,735	$ 44,042	$ 34,049
U.S. equities	**41,256**	**38,951**	39,334	50,503	36,490	50,502
International equities	**27,063**	**37,041**	29,218	36,159	31,590	38,991
	$ 110,014	**$ 110,774**	$ 120,605	$ 125,397	$ 112,122	$ 123,542

Included in the International equities is $379 (2010 - $587) of cash that is held in Canadian funds and is included in Canadian equities in note 16(c).

(in thousands of Canadian Dollars)

The cumulative unrealized gains and losses on the equity investments are as follows:

	31 December 2011	2010	1 January 2010
Equity investments – cost	**$ 110,774**	$ 125,397	$ 123,542
Cumulative unrealized losses	**(760)**	(4,792)	(11,420)
Equity investments – fair value	**$ 110,014**	$ 120,605	$ 112,122

d) Investment gains - net

The net investment gains recorded in income for the years ended 31 December can be broken down as follows:

	2011	2010
Realized (losses) gains on investments	**$ (9,093)**	$ 2,049
Change in unrealized gains on investments during the year	**12,329**	12,332
Investment gains – net	**$ 3,236**	$ 14,381

e) Investment performance

Investments are managed by six independent investment managers. The market returns of the portfolio for the years ended 31 December are as follows:

	2011	2010
Fixed income	**10.10%**	7.32%
Canadian equities	**(7.05)%**	12.43%
U.S. equities	**3.58%**	7.79%
International equities	**(7.05)%**	2.21%
Cash and cash equivalents	**2.86%**	0.91%
Real estate	**11.62%**	11.43%
Mortgages	**8.04%**	8.50%

f) Fair value hierarchy

The Commission's investments categorized according to their fair value hierarchy as described in note 2(d), is as follows as at 31 December 2011:

	Level 1	Level 2	Level 3	Total
Equities	$ 110,014	$ -	$ -	$ 110,014
Fixed income	-	91,018	-	91,018
Real estate	-	37,394	-	37,394
Mortgages	36,383	-	-	36,383
Total	**$ 146,397**	**$ 128,412**	**$ -**	**$ 274,809**

(in thousands of Canadian Dollars)

The Commission's investments categorized according to their fair value hierarchy as described in note 2(d), is as follows as at 31 December 2010:

	Level 1	**Level 2**	**Level 3**	**Total**
Equities	$ 120,605	$ -	$ -	$ 120,605
Fixed income	72,638	10,107	-	82,745
Real estate	33,502	-	-	33,502
Mortgages	32,833	842	-	33,675
Total	**$ 259,578**	**$ 10,949**	**$ -**	**$ 270,527**

The Commission's investments categorized according to their fair value hierarchy as described in note 2(d), is as follows as at 1 January 2010:

	Level 1	**Level 2**	**Level 3**	**Total**
Equities	$ 112,122	$ -	$ -	$ 112,122
Fixed income	81,928	9,587	-	91,515
Real estate	30,061	-	-	30,061
Mortgages	33,947	453	-	34,400
Total	**$ 258,058**	**$ 10,040**	**$ -**	**$ 268,098**

The fair value for fixed income investments is determined using three different methods; the first method uses pricing from the DEX PCBond pricing system which uses a multi-dealer blended price; the second method determines the fair value by using a spread of 65 bps over the Canada 5.25% 1 June 2013 benchmark bond which is comparable to the 5 year provincial spread; the third method uses a spread of 100 bps over the Canada 5.75% 1 June 2029 benchmark bond which allows for illiquidity of the bond as a private placement.

g) Investment activity

The Commission's change in investments during the years ended 31 December is as follows:

	2011	2010
Balance, beginning of year	**$ 270,527**	$ 268,098
Investment gains - net	**3,236**	14,381
Interest	**7,296**	6,526
Dividends	**1,313**	1,046
Transfer to short term investments	**(63)**	(24)
Transfer to operating cash accounts	**(7,500)**	(19,500)
Balance, end of year	**$ 274,809**	$ 270,527

(in thousands of Canadian Dollars)

7. Assessments and other receivables

a) Assessments receivable

	As at 31 December 2011	2010	As at 1 January 2010
Current assessments receivable	**$ 942**	$ 436	$ -
Overdue assessments receivable	**1,424**	1,649	974
Less: allowance for doubtful accounts	**(353)**	(418)	(158)
Net assessments receivable	**$ 2,013**	$ 1,667	$ 816

The Commission collected $205 (2010 – $238) of finance charges during the current year on the receivables. Finance charges are charged at the rate of 2% per month on the outstanding balance, including assessment finance charges receivable. None of the above, except for those included in the allowance, are considered to be impaired. The total bad debt expense recognized during the year is $262 (2010 – $207) which is recognized as a general and administrative expense.

Aging of assessments that are overdue and not impaired

Year	31-60 days	61-90 days	91+ days	Total overdue
2011	$ 657	$ 212	$ 202	$ 1,071
2010	$ 306	$ 196	$ 729	$ 1,231

Reconciliation of allowance for doubtful accounts

	2011	2010
Carrying amount at the beginning of the year	**$ 418**	$ 158
Net debts written off during the year	**(336)**	(24)
Provision made during the year	**292**	291
Recoveries	**(21)**	(7)
Carrying amount at the end of the year	**$ 353**	$ 418

b) Other receivables

Other receivables are non-interest bearing. None of these amounts are considered to be impaired.

(in thousands of Canadian Dollars)

8. Property and equipment

	Building	Leasehold improvements	Equipment	Furnishings	Vehicles	Total
Cost						
At 1 January 2010	$ 3,299	$ 1,064	$ 2,228	$ 776	$ 268	$ 7,635
Additions	2,223	11	848	30	104	3,216
Disposals	-	(273)	(1,730)	(566)	(63)	(2,632)
At 31 December 2010	**5,522**	**802**	**1,346**	**240**	**309**	**8,219**
Additions	170	-	570	42	70	852
Disposals	-	-	(314)	(10)	(35)	(359)
At 31 December 2011	**5,692**	**802**	**1,602**	**272**	**344**	**8,712**
Depreciation						
At 1 January 2010	637	404	1,682	511	221	3,455
Depreciation charge for the year	240	110	255	20	46	671
Disposals	-	-	(905)	(420)	(63)	(1,388)
At 31 December 2010	**877**	**514**	**1,032**	**111**	**204**	**2,738**
Depreciation charge for the year	253	134	359	23	50	819
Disposals	-	-	(314)	(5)	(35)	(354)
At 31 December 2011	**1,130**	**648**	**1,077**	**129**	**219**	**3,203**
Net book value						
At 31 December 2011	**$ 4,562**	**$ 154**	**$ 525**	**$ 143**	**$ 125**	**$ 5,509**
At 31 December 2010	**$ 4,645**	**$ 288**	**$ 314**	**$ 129**	**$ 105**	**$ 5,481**
At 1 January 2010	**$ 2,763**	**$ 559**	**$ 546**	**$ 265**	**$ 47**	**$ 4,180**

Change in estimates

During the year ended 31 December 2011 the Commission reviewed all capital assets and using judgment determined if any changes in useful life were required. This review resulted in changes in the expected usage of certain items of property and equipment. Certain computer equipment, software and leasehold improvements, which management previously intended to have certain useful lives is now expected to have shorter useful lives. The effect of these changes on depreciation expenses in current and future periods is as follows:

	2011	2012	2013	2014
Increase (decrease) in depreciation expense	$ (42)	$ (45)	$ 83	$ -

(in thousands of Canadian Dollars)

9. Intangible assets

	Purchased Software Systems	Internally Developed Software Systems	Total
Cost			
At 1 January 2010	$ 1,281	$ 6,457	$ 7,738
Additions	15	697	712
Disposals	(1,124)	(914)	(2,038)
At 31 December 2010	**172**	**6,240**	**6,412**
Additions	116	51	167
Disposals	-	-	-
At 31 December 2011	**288**	**6,291**	**6,579**
Amortization			
At 1 January 2010	1,213	3,175	4,388
Amortization charge for the year	16	415	431
Disposals	(1,121)	(689)	(1,810)
At 31 December 2010	**108**	**2,901**	**3,009**
Amortization charge for the year	41	508	549
Disposals	-	-	-
At 31 December 2011	**149**	**3,409**	**3,558**
Net book value			
At 31 December 2011	**$ 139**	**$ 2,882**	**$ 3,021**
At 31 December 2010	**$ 64**	**$ 3,339**	**$ 3,403**
At 1 January 2010	**$ 68**	**$ 3,282**	**$ 3,350**

10. Giant Mine payable

On 18 February 2010, the Supreme Court of Canada released its decision in the Fullowka et al v. Pinkertons et al case (the Giant Mine litigation), deciding in favour of the defendants/respondents. The Commission was ordered to pay costs and had recorded an estimated liability of $5,004 in 2009. The estimate of the liability was based on expected costs claimed by the defendants/respondents as a result of Costs Orders by the Northwest Territories Court of Appeal and the Supreme Court of Canada. These matters were settled in 2010 and 2011 and satisfaction pieces filed with the Supreme Court of the Northwest Territories with final payment made in 2011. This resulted in an increase of the estimated liability of $13 (2010 – decrease of $72). The change in the liability is as follows:

Giant Mine - estimated liability 1 January 2010	$ 5,004
Payments made in 2010	(4,002)
Change in estimate in 2010	(72)
Giant Mine - estimated liability 31 December 2010	930
Payments made in 2011	(943)
Change in estimate in 2011	13
Giant Mine - estimated liability 31 December 2011	**$ -**

(in thousands of Canadian Dollars)

11. Benefits liability

The benefits liability is composed of two parts:

a) Future claims liability

This liability represents the present value of the expected future claim payments on claims arising from accidents that occurred on or prior to the end of the fiscal year for hospital and medical services ("Medical Aid"), short-term income benefits ("Compensation"), pension benefits for future capitalisations ("Future Capitalisations"), and related administrative expenses. "Future Capitalisations" represents that portion of the future claims liability that is an estimate of the liability for expected pension benefit awards that relates to injuries that have already occurred.

The Commission includes a provision for expected future claims costs for Hunters & Trappers in the Future Claims Liability in accordance with the Memorandum of Understanding on Renewable Resources Harvesters (May 1994).

The liabilities for the Medical Aid and Compensation benefits were developed using the loss development method. This method is also commonly known as the "claims run-off" approach. The liability for Future Capitalizations was developed using a modified version of the loss development method.

b) Approved pension liability

This liability represents the present value of the expected future pension payments plus related expenses for approved pension awards as at the end of the fiscal year.

	Medical aid	Compensation	Future capitalizations	Pension awards	**Total 2011**	Total 2010
Balance, beginning of year	$ 36,976	$ 30,399	$ 26,677	$ 147,243	**$ 241,295**	$ 233,025
Add: Claims costs						
Current year	11,099	15,660	6,352	8,616	**41,727**	26,635
Prior years	6,047	3,175	532	8,803	**18,557**	15,679
Liability transfer, capitalizations	-	-	(4,762)	4,762	-	-
	17,146	18,835	2,122	22,181	**60,284**	42,314
Less: Claims payments						
Current year injuries						
Claims payments	2,648	3,454	-	197	**6,299**	4,055
Claims management	1,191	1,554	-	20	**2,765**	1,797
Prior years' injuries						
Claims payments	5,048	5,463	2,359	10,283	**23,153**	22,538
Claims management	2,271	2,458	236	1,028	**5,993**	5,654
	11,158	12,929	2,595	11,528	**38,210**	34,044
Balance, end of year	$ 42,964	$ 36,305	$ 26,204	$ 157,896	**$ 263,369**	$ 241,295

The expected claims payment for the benefits liability in 2012 is $24,222 ($21,939 in 2011, $21,257 in 2010).

NOTES TO THE FINANCIAL STATEMENTS

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(in thousands of Canadian Dollars)

The Supplementary Pension Increase (SPI) portion of the monthly pension payments is currently under detailed review (the project). The Commission has identified that while the basic pension is calculating accurately, the SPI of some pensioners is not calculating correctly and as such these individuals are receiving inaccurate payments.

The financial effect of the project on the approved pension liability, as well as the impact on future cash outflows, is not practicably measurable at the time of financial statement issuance due to the large number of pensioners and the complexity of the SPI calculation.

The Commission has historically reimbursed any underpayments and forgiven any overpayments that were the result of a Commission calculation error. This is the same approach the Commission will use for the project. Once the project is completed, any underpayments will be reimbursed to the affected pensioners and any overpayments will be adjusted on a prospective basis (Note 15). Future pension payments will reflect the adjusted SPI calculations.

The following is an actuarial reconciliation of the changes in the benefits liability during the years ended 31 December:

	2011	2010
Balance, beginning of year	**$ 241,295**	$ 233,025
Add:		
Provision for current year's claims	**32,662**	20,783
Interest allocated	**16,225**	15,743
	48,887	36,526
Deduct:		
Payments for prior years' claims	**(29,146)**	(28,192)
Experience loss or (gain)	**2,333**	(64)
	(26,813)	(28,256)
Balance, end of year	**$ 263,369**	$ 241,295

The Commission bases expectations of the costs of awarded pensions and the ongoing cost of Compensation and Medical Aid payments on the experience of prior years. The principal sources of the experience loss or gain are as follows:

	Increase (decrease) in benefits liability	
	2011	**2010**
Actual inflation experience, which was 2.52% versus the expected 3.50% (0.73% versus 3.5% in 2010)	**$ (1,422)**	$ (3,999)
Unfavourable claims experience	**2,340**	2,369
Increase in the valuation of claims run-off factors for Compensation and Medical Aid benefits	**2,165**	1,091
Revised assumptions used in the Future Capitalizations liability	**(750)**	475
Total experience loss or (gain)	**$ 2,333**	$ (64)

(c) Objectives in managing risks arising from the *Workers' Compensation Act* (the Act) and policies for mitigating those risks

The Commission has an objective to control insurance risk, thus reducing the volatility of operating results. In addition to the inherent uncertainty of insurance risk, this can lead to significant variability in the experience gain or loss. Operating results from the Commission's workers' compensation business are affected by market factors, particularly movements in asset values. Short-term variability is, to some extent, a feature of the workers' compensation business.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provide data on the risks to which the Commission is exposed to at any point in time.
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate premiums. Past experience and statistical methods are used as part of the process.
- The mix of assets in which the Commission invests is determined to achieve a long-term rate of return that is sufficient to fund the benefits liability. The management of assets and liabilities is closely monitored to attempt to match assets with the expected pattern of claim payments.

(d) Terms and conditions of the Act

The terms and conditions attaching to the Act affect the level of insurance risk accepted by the Commission. All insurance transactions entered into are in the same standard form and are subject to substantially the same terms and conditions under the Act.

(e) Concentration of insurance risk

The Commission's exposure to insurance risk is due to workplace injury caused through an event or disaster that occurred during the reporting period, and/or occupational diseases diagnosed during the reporting period. The Commission's benefits liability includes an amount estimated to cover any such occurrences. This figure is reviewed on an annual basis. The Commission's risk is concentrated by industry as some industries have higher claims experience costs than others. This is mitigated by higher premiums being charged to industries with proven higher experience costs.

(f) Development of claims

There is a possibility that changes may occur in the estimate of the Commission's obligations over time. The tables in part (k) of this note show the Commission's estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

(g) Interest rate risk

The Commission is exposed to the risk that interest rate movements may materially impact the value of the benefits liability. The financial impact of changing interest rates on the benefits liability is expected to be offset in the longer term by similar changes in claims inflation.

The discount rates being applied to future claims payments in determining the valuation of the benefits liability is disclosed in part (i) of this note.

The exposure to interest rate risk for classes of financial assets is set out in note 16.

(h) Liquidity risk

The Commission's exposure to liquidity risk is set out in note 16(a).

(i) Actuarial assumptions and methods

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on short-term fluctuations. The factors used in the valuation tend to lag slightly behind recent trends mainly due to general fluctuation in workers' compensation costs from year to year. The valuation methodology and assumptions are intended to reflect long term expectations based on the assets that make up the accident fund and the factors that affect claiming patterns and resulting benefit payments.

The Medical Aid and Compensation liability represents the present value at 31 December 2011 of expected future benefit payments for hospital and physician services, short-term income compensation payments, travel expenses, rehabilitation benefits and other eligible medical services under the Act. The Medical Aid and Compensation liability is calculated using the loss development method also known as the "claims run-off" approach. In this method, historical paid claims data are summarized by accident year and payment year in order to observe the relationships between payments at different durations for each accident year. Historical factors, at each duration, are developed from prior accident years and are applied to accident years that are not yet fully mature in order to estimate the future timing and amount of remaining benefit payments.

The Future Capitalizations liability represents the present value of future pension awards that have not yet been approved as of 31 December 2011. These future pension capitalizations are in respect of all claims arising from accidents which occurred on or before 31 December 2011. The estimated number and timing of these future capitalizations has been developed based on the historical emergence of capitalized claims experience by accident year for the Commission. In addition, the expected cost of each capitalized claim has been developed based on actual pension awards approved prior to 31 December 2011.

The Approved Pension liability (pension awards) represents the present value at 31 December 2011 of all expected future pension payments, including future inflationary adjustments, to individuals who have been approved for a pension award at 31 December 2011. The Approved Pension liability is calculated on a seriatim basis using the discounted cash flow method. Pension benefits are indexed annually on 1 January of each year, this annual index rate is referred to as the Supplementary Pension Increase (SPI) rate. The SPI is determined by taking into account the average monthly change in consumer price index (CPI) Canada for the most recent July to June period. Mortality rates are used to determine the future life expectancy of individuals in receipt of a pension award. For 100% disabled pensioners, the mortality rates are adjusted by a loading factor which varies by age. The actual gender and date of birth for all pension recipients is used in the valuation. Pensions are payable to dependent children until age 19 or age 25 if attending school. The probability of a dependent child continuing to receive a pension award from age 19 to 25 is based on actual experience over the period 1999 to 2002. A projection of future pension payments requires that an explicit assumption be made with respect to the rate of award inflation. The present value of expected future pension payments uses a gross discount rate of 7.125%. The ultimate inflation assumption of 3.50% results in a net discount rate of 3.50% for years 2013 and thereafter. The use of the actual inflation rate of 2.52% for 2012 results in a net discount rate of 4.49% for that year only.

(in thousands of Canadian Dollars)

The following economic assumptions are used in the valuation of the Future Claims Liability: discount rate – 7.125% (31 December 2010 & 1 January 2010 – 7.125%), inflation rate – i) future capitalizations: 2.52% in 2012 and 3.50% per annum thereafter (31 December 2010 – 0.73% and 3.50%, 1 January 2010 – 1.65% and 3.50%), and ii) Compensation and Medical Aid: 3.50% per annum (31 December 2010 & 1 January 2010 – 3.50%) and mortality rates as determined by the 1995-1997 Statistics Canada General Life Mortality Table.

The following economic assumptions are used in the valuation of the Approved Pension Liability: discount rate – 7.125% (31 December 2010 & 1 January 2010 – 7.125%), inflation rate – 2.52% in 2012 and 3.50% thereafter (31 December 2010 – 0.73% and 3.50%, 1 January 2010 – 1.65% and 3.50%).

(j) Liability sensitivity

The most significant assumption in the determination of the benefits liabilities is the net discount rate. The net discount rate is the assumed discount rate in excess of the assumed inflation rate. A reduction in the assumed net discount rate would increase the actuarial present value of the benefits liabilities and a decrease in comprehensive income.

Medical benefits represent approximately 15% of the benefits liabilities. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liabilities for medical benefits and a decrease in comprehensive income.

The approved Pension liability takes into account the future life expectancy of each individual pensioner, surviving spouse or dependent child according to their age and gender. An improvement in the assumed mortality experience would increase the life expectancy of benefit recipients, thereby increasing the actuarial present value of the liability for approved pension benefits and decreasing comprehensive income.

2011 **+/- % change on assumed rates**	**+1%**	**-1%**
Net discount rate	$ (24,230)	$ 29,724
Excess medical inflation rate	4,192	(3,589)

2010 **+/- % change on assumed rates**	**+1%**	**-1%**
Net discount rate	$ (18,796)	$ 22,828
Excess medical inflation rate	2,405	(2,055)

2011 **+/- % change in mortality rate**	**+10 %**	**-10 %**
Mortality rate	$ (3,782)	$ 3,957

2010 **+/- change in mortality rate**	**+10 %**	**-10 %**
Mortality rate	$ (3,475)	$ 3,740

(in thousands of Canadian Dollars)

(k) Claims Development

The following table shows the development of claims cost estimates for the five most recent injury years:

	Year of Injury					
	2007	**2008**	**2009**	**2010**	**2011**	**Total**
Estimate of cumulative claim costs:						
At the end of the accident year	$55,857	$59,716	$43,007	$44,356	$77,715	
One year later	49,674	52,228	39,782	44,743		
Two years later	43,292	49,107	37,746			
Three years later	42,069	50,445				
Four years later	43,966					
Current estimate of cumulative claims costs	43,966	50,445	37,746	44,743	77,715	254,615
Cumulative payments	13,705	15,145	10,110	9,197	5,671	53,828
Outstanding claims – undiscounted	30,261	35,300	27,636	35,546	72,044	200,787
Effect of discounting						(132,647)
Effect of administration expenses						17,472
2006 and prior claims						177,757
Amount Recognized on Statement of Financial Position						$263,369

During 31 December 2011, 11 claims were investigated by the Investigations Coordinator. All investigations were closed by the end of the year.

12. Employee benefits

a) Pension plan

Substantially all of the employees of the Commission are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year end was 15.624% (2010 - 16.044%). Total contributions of $1,398 (2010 - $1,501) were recognized as expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

b) Post-employment benefits

The Commission provides other benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The cost of these benefits is accrued as employees render the services necessary to earn them. Liability for severance

(in thousands of Canadian Dollars)

upon resignation, or retirement and ultimate removal benefits measured at the reporting date is as follows:

	2011	2010
Accrued benefit obligation, beginning of year	**$ 983**	$ 931
Total benefit expense:		
Current service cost	**66**	61
Interest cost	**47**	55
Actuarial losses	**576**	226
Benefits payouts	**(689)**	(290)
Balance, end of year	**$ 983**	$ 983

The key assumptions used to calculate the accrued employee benefits are a liability discount rate of 4.0% (31 December 2010 – 5.0%, 1 January 2010 – 7.125%) and a general wage escalation of 2.6% (31 December 2010 & 1 January 2010 – 3.0%).

The expected contributions to the plan for 2012 are $209 ($148 in 2011, $264 in 2010).

c) Benefit expense

The following table summarizes the components of the benefit expense recognized in salaries and benefits within administration and general expenses in the statement of comprehensive loss for the respective plans:

Net benefit expense 2011	Post-employment benefits	Pension plan	Total
Current service cost	$ 66	$ 1,398	$ 1,464
Interest cost	47	-	47
Actuarial losses	576	-	576
	$ 689	$ 1,398	$ 2,087

Net benefit expense 2010	Post-employment benefits	Pension plan	Total
Current service cost	$ 61	$ 1,501	$ 1,562
Interest cost	55	-	55
Actuarial losses	226	-	226
	$ 342	$ 1,501	$ 1,843

13. Capital management and reserves

The operating reserve is intended to protect the Commission against adverse fluctuations in claims costs and investment results. As the Workers' Protection Fund includes all assessments from employers and amounts to be paid to injured workers, as well as the costs to administer the *Workers' Compensation Acts* of the Northwest Territories and Nunavut, the Governance Council considers that capital includes all reserves of the Commission.

In 2010, the Commission changed the calculation for the funded position from total assets divided by total liabilities plus the Catastrophe Reserve to total assets divided by total liabilities. This change enhanced the comparability to other compensation boards. This Funded Position (or net assets) represents the current funding

status of the Workers' Protection Fund. The Governance Council's long term goal is to maintain a funded position at 108% – 120% of fully funded.

At 31 December 2011, the funded position is 107% (31 December 2010 & 1 January 2010 – 116%).

The Commission maintains five reserves within the Workers' Protection Fund. All of these reserves are established by the Governance Council, and none are externally restricted. The Commission established a capital asset replacement reserve in 2010 and dissolved the rate stability reserve in 2011.

In accordance with Section 83 of each of the *Workers' Compensation Acts* of the Northwest Territories and Nunavut, the Governance Council is responsible for approving the operating and capital budgets of the Commission, for approval of assessment rates for employers and benefits to workers, and for ensuring the proper stewardship of the Workers' Protection Fund. It is the objective of the Governance Council to ensure the financial sustainability of the Workers' Safety and Compensation Commission, while maintaining stability of assessment rates and benefits to injured workers.

The Governance Council manages capital by monitoring all revenues and expenses through its budgeting and financial reporting processes, and by establishing assessment rates and an investment policy that maintain the funded status of the Commission and ensure the ability to care for injured workers.

a) Operating reserve

The operating reserve is intended to protect the Commission against adverse fluctuations in claims costs and investment results. The target level for the operating reserve is established after the target level for the catastrophe reserve has been determined. Assessment rates are adjusted to bring the operating reserve to its target level over a period of between two years and ten years, depending on the margin by which the operating reserve is above or below the target level. The tolerance range for the operating reserve is plus or minus 50% of the target level. If the reserve balance falls outside of this range, appropriate action is implemented with the goal of returning the reserve to the target level. The target range at year end was \$6,211 to \$18,634 (31 December 2010 – \$5,325 to \$15,975, 1 January 2010 – \$4,641 to \$13,924).

b) Capital replacement reserve

This new reserve was established beginning in 2010 to allow multi-year planning and is used to set aside funds for the purchase of new equipment and intangible assets.

c) Investment fluctuation reserve

The purpose of the investment fluctuation reserve is to recognize the annual gains and losses on investments on an even basis in the operating reserve over a period of five years.

d) Safety reserve

The safety reserve was established to fund safety programs and is used to implement the Commission's safety strategy.

(in thousands of Canadian Dollars)

e) Catastrophe reserve

The catastrophe reserve is intended to protect the Commission against a catastrophic event that results in a substantial increase in the Commission's benefits liability. The Commission established specific criteria to determine whether an accident or event meets the definition of a catastrophic claim. The target level for the catastrophe reserve is set at 300 times the 2011 Year's Maximum Insurable Remuneration (YMIR) of $82.72 (31 December 2010 – $75.20, 1 January 2010 – $72.10) less any approved catastrophic events. After the catastrophic event is approved the funding will be restored by using a uniform percentage adjustment to assessment rates over a period of two to ten years. The target level for the catastrophe reserve provides for the cost of a disaster.

14. Commitments

Future minimum lease payments as at 31 December on operating leases for office premises, staff accommodations and equipment are as follows:

Year	2011	2010
2011	$ -	$ 741
2012	715	530
2013	572	453
2014	298	209
2015	70	70
2016	70	70
Thereafter	-	-
	$ 1,725	$ 2,073

Every lease the Commission is currently entered into allows for renewal of the lease at current market pricing. There are no purchase options, contingent rents or escalation clauses included in the leases.

15. Contingencies

The Commission is required to pay for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be estimated and are not included in the benefits liability or the financial statements.

The Commission is conducting a detailed review of the SPI portion of the monthly pension payments (Note 11(b)). The liability is not practicably measurable and has not been included in the benefits liability or the financial statements. Once the review is completed, any underpayments will be reimbursed to the affected pensioners.

In 2005, a worker filed a human rights complaint alleging that a Workers' Compensation Board policy discriminated against him on the basis of social condition. The complaint was successful, and the Workers' Compensation Board (now the Commission) appealed. The Supreme Court of the Northwest Territories heard the appeal in January 2012 and a decision is pending. Depending on the appeal's outcome, there may be systemic implications regarding the application of the policy on not including Employment Insurance Income when calculating the net monthly remuneration of injured workers. The financial implications are not yet known.

In 2010, a worker filed a human rights complaint alleging that the Commission discriminated against him on the grounds of disability. The Commission and the worker reached a settlement agreement in 2011 whereby the worker will undergo additional medical examination and pension reassessment. The financial implications are not yet known.

In 2011, a worker filed a human rights complaint alleging that the Commission discriminated against him on the grounds of disability. The Commission responded to the complaint but has not yet heard from the Human Rights Tribunal as to whether the complaint will be referred to a panel for a hearing or dismissed. As such, the financial implications are not yet known.

On 22 September 2011, an Arctic Sunwest floatplane was attempting to land when it crashed in Yellowknife, NT, killing two and injuring seven. Where applicable, the Commission is ascertaining options for possible recovery through third party actions. The financial implications are not yet known.

On 20 August 2011, a First Air charter flight approaching Resolute Bay, NU crashed, killing twelve people and injuring three. Where applicable, the Commission is ascertaining options for possible recovery through third party actions. The financial implications are not yet known.

Due to the nature of the Commission's operations, various other legal matters are pending. In the opinion of management, these matters will not have a material effect on the Commission's financial position or results of operations.

16. Financial risk management

The Governance Council is responsible for reviewing and approving the Commission's investment policy and plan. The investment policy and plan outline the types and classes of investments the Commission may invest in and how the Commission plans to achieve its investment objective and manage its investment risk. The Commission manages the risk associated to its investments by maintaining a well-diversified portfolio and by engaging external investment managers with different investment styles and objectives. Generally speaking, investments are held until market conditions provide a better investment opportunity. The Commission regularly reviews the performance of its investment portfolio against established industry benchmarks.

The Commission has exposure to the following financial risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk
    - Interest rate risk
    - Foreign currency risk
    - Real estate risk

The Commission's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and liabilities. The following sections present information about the Commission's exposure to each of the above risks and the Commission's objectives, policies and processes for measuring and managing its risks.

(in thousands of Canadian Dollars)

a) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is considered to be extremely low. The Commission maintains deposits and short term investments at banks to meet liquidity needs. In 2011 cash and cash equivalents was $425 or a ratio of 0.11 of short term liabilities (31 December 2010 cash was $5,543 or 1.03, 1 January 2010 cash was $7,097 or 0.70).

31 December 2011	1 year or less	2-3 years	4-5 years	6 years or more	Total
Accounts payable and accrued liabilities	$ 2,984	-	-	-	$ 2,984
Giant Mine payable	-	-	-	-	
Assessments refundable	1,009	-	-	-	1,009
	$ 3,993	-	-	-	$ 3,993

31 December 2010	1 year or less	2-3 years	4-5 years	6 years or more	Total
Accounts payable and accrued liabilities	$ 3,485	-	-	-	$ 3,485
Giant Mine payable	930	-	-	-	930
Assessments refundable	981	-	-	-	981
	$ 5,396	-	-	-	$ 5,396

1 January 2010	1 year or less	2-3 years	4-5 years	6 years or more	Total
Accounts payable and accrued liabilities	$ 3,337	-	-	-	$ 3,337
Giant Mine payable	5,004	-	-	-	5,004
Assessments refundable	1,846	-	-	-	1,846
	$ 10,187	-	-	-	$ 10,187

b) Credit risk

Credit risk on financial instruments arises from the possibility that the customer or counterparty to an instrument fails to meet its obligations. In order to manage this risk, the Commission's investment policy requires that short-term investments at the time of purchase have a minimum credit rating of R-1(low) or its equivalent and that 90% or more of other fixed income investments have a minimum credit rating of A- or its equivalent. An independent rating service determines these ratings.

The Commission's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer or a cost recovery customer will be unable to pay amounts due to the Commission. The maximum exposure to credit risk is $4,130 (31 December 2010 – $2,004, 1 January 2010 – $969). Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the statement of financial position are net of these allowances for doubtful accounts. All accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Commission takes into consideration the customer's payment history, their credit worthiness and the then current economic environment in which the customer operates to assess impairment. The Commission recognizes a specific allowance for doubtful account, and related bad debt expense, when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration expenses.

(in thousands of Canadian Dollars)

The Commission believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration.

ii. As at 31 December 2011, the majority of accounts receivable and assessments receivable are outstanding for less than 90 days. The Commission does not require collateral or other security from employers or customers for accounts receivable.

iii. The Commission has the power and remedies to enforce payment owing.

All of the Commission's accounts receivable and assessments receivable are reviewed for indicators of impairment on an annual basis.

The following table outlines the credit risk exposure for the Commission for each major class of fixed income investments as at 31 December 2011:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
Short-term investments	$ 265	$ 96	$ 23	$ 384
Fixed income	-	1,330	-	1,330
Indexed bond funds	-	39	-	39
Total	$ 265	$ 1,465	$ 23	$ 1,753

	AAA	AA	A	BBB	Total
Fixed income	$ 22,852	$ 11,018	$ 6,529	$ 409	$ 40,808
Indexed bond funds	24,245	11,360	9,712	3,524	48,841
Total	$ 47,097	$ 22,378	$ 16,241	$ 3,933	$ 89,649

The following table outlines the credit risk exposure for the Commission for each major class of fixed income investments as at 31 December 2010:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
Short-term investments	$ 2,090	$ 919	$ 158	$ 3,167
Fixed income	325	450	-	775
Total	$ 2,415	$ 1,369	$ 158	$ 3,942

	AAA	AA	A	BBB	Total
Fixed income	$ 19,164	$ 12,231	$ 5,289	$ 479	$ 37,163
Indexed bond funds	22,433	10,462	8,775	2,716	44,386
Total	$ 41,597	$ 22,693	$ 14,064	$ 3,195	$ 81,549

(in thousands of Canadian Dollars)

The following table outlines the credit risk exposure for the Commission for each major class of fixed income investments as at 1 January 2010:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
Short-term investments	$ 660	$ 383	$ 21	$ 1,064
Fixed income	-	1,450	-	1,450
Total	$ 660	$ 1,833	$ 21	$ 2,514

	AAA	AA	A	BBB	Total
Fixed income	$ 21,362	$ 10,275	$ 3,964	$ 480	$ 36,081
Indexed bond funds	27,877	13,271	10,155	2,917	54,220
Total	$ 49,239	$ 23,546	$ 14,119	$ 3,397	$ 90,301

c) Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate in the future because of price changes. The Commission invests in publicly traded fixed income and equity investments available on domestic and foreign exchanges and in privately held investments. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 5% or less of the fair value of the investment fund. The one exception to the 5% or less concentration rule is an investment in a Real Estate holding fund, Westpen Properties Ltd. at 13.61% (2010 – 12.38%) of the total fund. This fund is diversified by investment type and geographic location. The Governance Council is aware of this exception to its investment policy.

The Commission's investment target and actual asset mix at fair value 31 December 2011 is as follows:

	Target		Actual
	Maximum	Minimum	
Fixed income	40%	30%	**32.88%**
Canadian equities	21%	11%	**14.44%**
U.S. equities	19%	9%	**14.08%**
International equities	15%	5%	**10.61%**
Real estate	20%	10%	**13.61%**
Mortgages	15%	5%	**13.24%**
Cash and cash equivalents	0%	5%	**0.59%**

(in thousands of Canadian Dollars)

The Commission's investment target and actual asset mix at fair value 31 December 2010 is as follows:

	Target		Actual
	Maximum	Minimum	
Fixed income	35%	25%	30.29%
Canadian equities	23%	13%	19.23%
U.S. equities	21%	11%	14.54%
International equities	16%	6%	10.80%
Mortgages	15%	10%	12.45%
Real estate	15%	10%	12.37%
Cash and cash equivalents	0%	5%	0.32%

The Commission's investment target and actual asset mix at fair value 1 January 2010 is as follows:

	Target		Actual
	Maximum	Minimum	
Fixed income investments	35%	25%	33.68%
Canadian equities	23%	13%	16.39%
U.S. equities	21%	11%	13.10%
Mortgages	15%	10%	12.66%
International equities	16%	6%	11.78%
Real estate	15%	10%	11.21%
Cash and cash equivalents	0%	5%	0.66%

Equity investments are particularly sensitive to market risk. Because equities are recorded as held for trading, changes in their fair value from the movements in the markets have a significant impact on the net income and reserve values. The following table is a sensitivity analysis that shows the impact of a change of 16-18%, depending on asset type, on the average market values of each portfolio, which equates to one standard deviation of the portfolio in the respective stock market index.

Portfolio	Index	Exposure 31 December 2011	Change one standard deviation	Change to comprehensive income 2011
Canadian equities	TSX 300	$ 41,695	+18%	$ 7,505
U.S. equities	Russell 3000	41,256	+16%	6,601
International equities	MSCI EAFE	27,063	+18%	4,871

Portfolio	Index	Exposure 31 December 2010	Change one standard deviation	Change to comprehensive income 2010
Canadian equities	TSX 300	$ 52,053	+20%	$ 10,411
U.S. equities	Russell 3000	39,334	+17%	6,687
International equities	MSCI EAFE	29,218	+18%	5,259

(in thousands of Canadian Dollars)

d) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. The Commission is exposed to interest rate risk primarily through its investments in fixed income investments. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Interest rate risk is minimized by actively managing the duration of the fixed income investments as detailed in note 6(a).

The following table provides a sensitivity analysis of the impact of a 1% change in nominal interest rates at 31 December assuming the change occurs evenly throughout the sector and all other variables remain constant.

	Movement in interest rates	Change to net income 2011
Change in nominal interest rates	1%	$ 6,405

	Movement in interest rates	Change to net income 2010
Change in nominal interest rates	1%	$ 5,162

e) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar. The Commission has investments denominated in foreign currencies which are therefore exposed to currency risk. To mitigate this risk, investment managers are authorized to enter into forward foreign exchange contracts, which represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract, for the sole purpose of hedging foreign currency transactions. The investment managers do not do this as a matter of general practice. There were no forward foreign exchange contracts outstanding at 31 December 2011 (31 December 2010 & 1 January 2010 – nil).

(in thousands of Canadian Dollars)

The total amount of investments, at fair value, exposed to foreign currency risk is as follows:

Foreign country	Fixed Income	Equity	**Total Investments Fair Value 2011**	Total Investments Fair Value 2010
U.S.	$ -	$ 41,256	$ 41,256	$ 39,334
Europe	-	8,552	8,552	9,087
United Kingdom	-	7,469	7,469	6,895
Japan	-	4,573	4,573	5,171
Switzerland	-	3,031	3,031	3,155
Australia	-	893	893	1,023
Hong Kong	-	514	514	993
China	-	704	704	789
Brazil	-	-	-	496
Mexico	-	162	162	292
Israel	-	244	244	263
Taiwan	-	244	244	234
South Korea	-	298	298	233
Subtotal	-	67,940	67,940	67,965
Canada	127,401	79,468	206,869	202,562
Total	$ 127,401	$ 147,408	**$ 274,809**	$ 270,527

The following tables provide a sensitivity analysis that illustrates the impact of a 10% appreciation in the Canadian dollar relative to the four largest currencies the Commission is exposed to for the year ending 31 December. This analysis assumes that all other variables remain constant.

Country	Exposure 31 December 2011	Change	Change to comprehensive income 2011
U.S.	$ 41,256	+10%	$ (4,126)
Europe	8,552	+10%	(855)
United Kingdom	7,469	+10%	(747)
Japan	4,573	+10%	(457)

Country	Exposure 31 December 2010	Change	Change to comprehensive income 2010
U.S.	$ 39,334	+10%	$ (3,933)
Europe	9,087	+10%	(909)
United Kingdom	6,895	+10%	(690)
Japan	5,172	+10%	(517)

(in thousands of Canadian Dollars)

f) Real estate risk

Real estate risk arises from changes in real estate values related to local markets and vacancy rates. Real estate risk is managed through diversification across real estate types and locations. Adverse impacts in any segment of the market or geographic location are reduced by having holdings diversified across residential, commercial, industrial, and developmental markets.

The table below presents the estimated effect of a material adverse change in valuations of the investment in domestic real estate for the year ended 31 December. This change to comprehensive income reflects a change in valuation of 13.3% (2010 – 12.1%), which, is based on ten years of results, would be one standard deviation of valuation change.

Portfolio	Exposure 31 December 2011	Change	Change to comprehensive income 2011
Real Estate	$ 37,394	+13.3%	$ 4,973

Portfolio	Exposure 31 December 2010	Change	Change to comprehensive income 2010
Real Estate	$ 33,502	+12.1%	$ 4,054

For the year ended 31 December 2011
(in thousands of Canadian Dollars)

17. Administration and general expenses

	2011	2010
Salaries, wages and allowances	**$ 12,336**	$ 11,507
Professional services	**2,524**	2,496
Employee benefits	**2,291**	2,435
Amortization and depreciation	**1,368**	1,102
Travel	**937**	882
Contributions to other organizations	**783**	693
Renovations (non-capital)	**740**	1,406
Communications	**613**	548
Advertising and public information	**576**	691
Office services and supplies	**457**	475
Office lease payments	**427**	545
Training and development	**264**	341
Bad debt expense	**262**	207
Grants	**219**	213
Honoraria and retainers	**85**	115
Office furniture and equipment (non-capital)	**49**	416
Miscellaneous	**5**	14
Loss (gain) on asset disposal	**(27)**	214
Recoveries	**(244)**	(230)
	23,665	24,070
Less: Allocation to claims management costs-current year injuries (note 11 (b))	**(2,765)**	(1,797)
Less: Allocation to claims management costs-prior years' injuries (note 11 (b))	**(5,993)**	(5,654)
	$ 14,907	$ 16,619

18. Related party transactions

The Commission is related to all departments and territorial public agencies of the Governments of the Northwest Territories and Nunavut. The Commission enters into transactions with these entities in the normal course of business. The following tables summarize the Commission's transactions:

Balances due from related parties:

	31 December		1 January
	2011	2010	2010
Government of Nunavut	**$ 1,393**	$ 291	$ 103
Government of the Northwest Territories	**18**	335	416
Territorial public agencies	**4**	9	-
	$ 1,415	$ 635	$ 519

For the year ended 31 December 2011
(in thousands of Canadian Dollars)

Balances payable to related parties:

	31 December 2011	31 December 2010	1 January 2010
Territorial public agencies	**$ 101**	$ 37	$ 55
Government of the Northwest Territories	**25**	217	97
Government of Nunavut	**2**	103	41
	$ 128	$ 357	$ 193

Through memoranda of understanding with the Governments of the Northwest Territories and Nunavut, the Commission charges the governments for the costs of administering benefits related to hunters and trappers claims. These costs include the increase or decrease in the future benefits liability related to hunters and trappers claims, therefore, a significant decrease in the future benefits liability can result in a refund by the Commission to either Government. The amount due from related parties includes a reimbursement from the Government of the Nunavut for hunters and trappers claims for the year in the amount of $1,252 (31 December 2010 – $279, 1 January 2010 – $97), and the amount due to related parties includes a refund to the Government of the Northwest Territories for the year in the amount of $24 (31 December 2010 – $273 due from, 1 January 2010 – $96 due from).

Assessments revenue, at rates determined using the same method as with others, as well as recoveries for hunters and trappers, as described above, from related parties for the years ended 31 December:

	2011	2010
Government of Nunavut	**$ 2,936**	$ 1,477
Government of the Northwest Territories	**2,593**	1,903
Territorial public agencies	**1,367**	678
	$ 6,896	$ 4,058

Expenses to related parties for the years ended 31 December:

	2011	2010
Territorial public agencies	**$ 1,113**	$ 1,098
Government of the Northwest Territories	**919**	440
Government of Nunavut	**672**	660
	$ 2,704	$ 2,198

Investments in bonds of related parties at fair value:

	31 December 2011	31 December 2010	1 January 2010
Northwest Territories Power Corporation			
11.125% maturing 6 June 2011	**$ -**	$ 1,035	$ 1,119
6.42% maturing 18 December 2032	**1,711**	1,675	1,586
5.95% maturing 15 December 2034	**1,291**	1,184	1,043
	3,002	3,894	3,748
Northwest Territories Legislative Assembly Building Society			
13.00% Series A, maturing 31 August 2013	**107**	163	216
	$ 3,109	$ 4,057	$ 3,964

(in thousands of Canadian Dollars)

The Commission does not record the value of services provided in the normal course of operations without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided without charge are not significant but include areas where the Commission follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

Compensation of key management personnel

	2011	2010
Short-term employee benefits	**$ 1,111**	$ 1,305
Employee benefits – post employment benefits	**592**	23
Pension plan	**129**	275
Total compensation paid to key management personnel	**$ 1,832**	$ 1,603

Included in the post-employment benefits is the Public Service Pension Plan (the Plan).

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel, which consists of the members of the Governance Council, the President, and the vice-presidents.

2011 ANNUAL REPORT

OFFICE OF THE WORKERS' ADVISOR
2011 ANNUAL REPORT

Workers' Advisor Office
for the Northwest Territories & Nunavut

Workers' Advisor Office
for the Northwest Territories & Nunavut

MESSAGE FROM THE WORKERS' ADVISOR

It is my pleasure to present this annual report of the Workers' Advisor Office (WAO) for the year ending December 31, 2011. The Workers' Advisor is appointed by the Northwest Territories and Nunavut Ministers Responsible for the Workers' Safety and Compensation Commission (WSCC). The mandate of the WAO is to assist injured workers and their family members with their WSCC claim. This assistance ranges from explaining the WSCC process to representing clients at the various WSCC decision making levels.

The WAO functions as a necessary check and balance in the workers' compensation system by working to ensure workers and dependants receive just and proper entitlements. By first focusing on collaboration and resolution, many claim issues are handled without formal review or appeal. This has a positive effect throughout the system, by promoting fairness and avoiding unnecessary delay and systemic cost.

The WAO has offices in Yellowknife and Cambridge Bay. Our services are provided in French, English, and Inuktitut. We provide a full range of services to claimants who have been injured in the Northwest Territories (NWT) and Nunavut (NU). The Workers' Advisor and the Deputy Workers' Advisor in Cambridge Bay are trained professionals with many years of hands-on claims experience. They are mandated by the Governance Council (GC) to be independent and to only act in the interests of claimants. They conduct themselves respectfully at all times. The services are free – there is no fee – just good advice and advocacy.

In addition to working diligently with injured workers from the NWT and Nunavut, I serve as the treasurer of the Canadian Association of Workers' Advisors and Advocates (CAWAA). I have also had the opportunity this year to travel to some of the communities in the NWT and Nunavut to visit with injured workers and their families. The WAO's new email address is: advisor@waonwtnu.ca.

I have developed an excellent working relationship with WSCC staff and administration, the GC and the Minister's office. These collaborative relationships have contributed in a positive way to working through the issues that present themselves when working with injured workers.

I greatly value the opportunity to assist injured workers and their families with their WSCC claims. The WAO will continue to assist injured workers and their family members in pursuing the most equitable benefits to which they are entitled.

Debora Simpson
Workers' Advisor

Mandate of the WAO

The sole function of the WAO is to advance the interests of injured workers or their dependants with respect to their entitlements under the Act. The WAO carries out this mandate by providing advice, assistance and advocacy services for injured workers or their dependants with respect to decisions that are under review or appeal.

Services Provided by the WAO

The WAO provides a range of services to injured workers and their families. These services include:

- Getting information from the WSCC for an injured worker;
- Helping injured workers to communicate more effectively with WSCC staff;
- Explaining the WSCC process and WSCC decisions to injured workers;
- Advising injured workers on whether or not they have grounds to seek a review of a decision;
- Reviewing file evidence;
- Seeking additional evidence if it is required;
- Helping injured workers to prepare and present submissions to all WSCC decision making levels;
- Suggesting alternatives to filing a review or appeal;
- Representing injured workers at formal hearings at the Review Committee or Appeals Tribunal levels; and
- Referring clients to appropriate community services.

The WAO will assist any injured worker or their family members who contact the office seeking help or information about their claim. A client's first contact with the WAO may happen when the client's claim is at any stage of the WSCC process. Some clients contact the WAO before they complete claim forms, while others make contact just days before they are to appear before the Appeals Tribunal. Regardless of what stage a client's claim is at in the WSCC process, the WAO can help.

After discussing the client's concerns, a copy of the client's WSCC file is obtained and reviewed. At this point the WAO can advise the client of available options. Options may range from explaining what has happened and why specific decisions have been made to making representations on behalf of the client to a Case Manager, the Review Committee, and the Appeals Tribunal.

If the WAO feels there are no statutory grounds on which to further a case, or there is a lack of appropriate medical evidence, further assistance can be refused.

WAO Activity Statistics

Total contacts – 3,514 (2010: 4,152; 2009: 4,594)

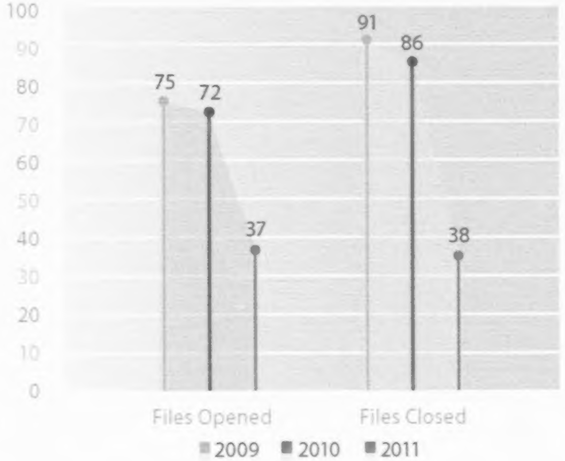
Contact with this office is made either in-person, by telephone, email, fax or letter. Approximately 32 per cent of the clients who contact this office live in the NWT or Nunavut. The remainder have either relocated or returned to southern Canada, Europe or the US.

During 2011, the WAO had 3,514 contacts from both individuals and organizations. The majority of contacts were with clients or WSCC staff regarding claim issues. Additionally, the WAO had contact with workers' families, labour groups, employers, healthcare providers, the Minister, and other stakeholder groups. At the end of December 2011 there were 25 active cases.

Caseload

During 2011, 37 new case files were opened and 38 case files were closed. Closed files refer to client files for which all issues have been concluded or which the WAO has lost contact with the injured worker.

The following chart compares caseload numbers over the last three years:



Issues Addressed

Each client file addresses one or more of the following issues:

- General assistance;
- Acceptance of claim;
- Change in disability percentage;
- Continuation of benefits;
- Increase in amount of benefits;
- Lump sum payment of pension;
- Medical treatment requested by worker; and
- Vocation rehabilitation program.

For each client file, there may be several individual issues for which the WAO may provide assistance. In 2011, the top three issues addressed were:

- General assistance;
- Acceptance of claim; and
- Continuation of benefits.

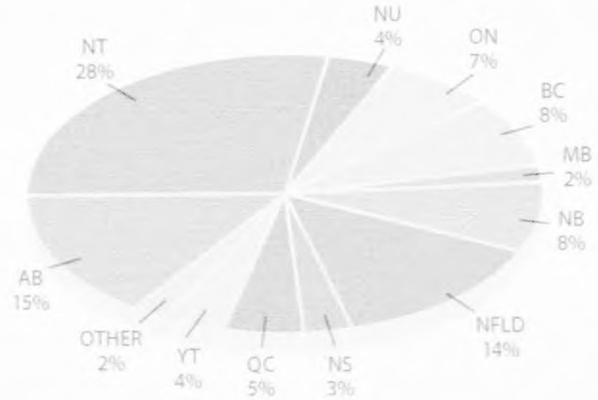
Appeals

During 2011, the WAO represented 11 clients at the Review Committee (RC) level and six clients at the Appeals Tribunal (AT). At the RC level, five decisions were upheld, four were overturned and two decisions are still outstanding (have not been communicated). At the AT level, three decisions were upheld, one was overturned, one decision was varied and one client withdrew his appeal.

Client Base

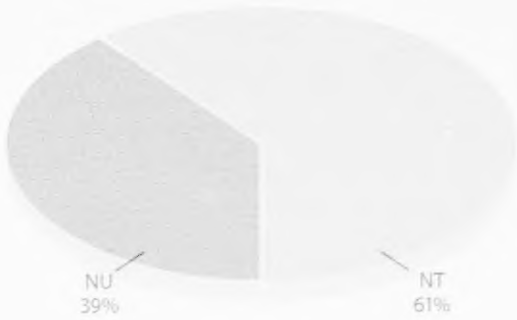
Place of Residence

68 per cent of WAO clients reside outside of the NWT and Nunavut. 28 per cent of WAO clients reside in the Northwest Territories and four per cent of WAO clients reside in Nunavut. The breakdown of clients' place of residence is as follows:



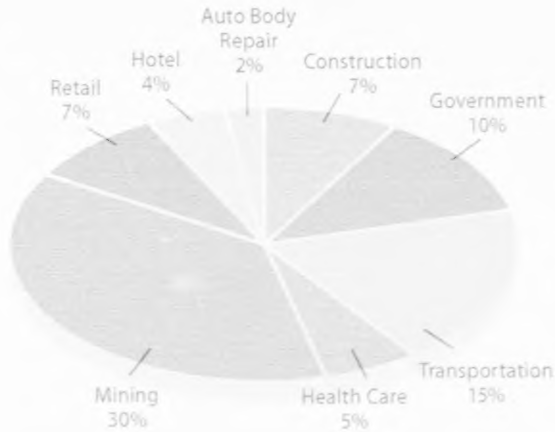
Place of Injury

The graph below shows that 61 per cent of the injuries that happened in 2011 happened in the Northwest Territories and 39 per cent of the injuries happened in Nunavut.



Employment Sector

The graph below shows the percentage of WAO clients from each employment sector.



Trends in Client Base

- The percentage of clients (injured workers) who are employees in the mining and construction sectors has increased from previous years;
- The most common issue for which clients seek assistance from the WAO is "acceptance of claim." Generally, this group of clients requires assistance to file a request for review or appeal or they need help understanding the process;
- Given that 68 per cent of WAO clients live outside the North, the majority of communication with these clients is done by email and telephone;
- 61 per cent percent of the clients who come through this office were injured in the NWT and 39 per cent were injured in Nunavut;
- All of the cases dealt with by the Deputy Workers' Advisor require assistance in Inuktitut;
- There were more clients in 2011 than in previous years requesting service in French;
- Files may be closed for the following reasons:
  - Appeals Tribunal decision;
  - Review Committee decision;
  - Claim accepted;
  - Lump sum granted;
  - PMI reviewed;
  - Rehabilitation program provided;
  - Worker request fulfilled;
  - WAO declined to represent;
  - File transferred to another representative; or
  - Lost contact with worker.

Systemic Issue

Medical reasoning and policy rationale is sometimes not provided to the clients in a clear and simple fashion. This may lead to confusion, misunderstanding and anger on the part of the injured worker. Clear straightforward information on such issues as "degeneration" must be communicated to injured workers.

Looking Forward

The WAO looks forward to 2012 with great anticipation. Upcoming policy and legislative changes, collaborative Governance Council processes and continued cooperation with the Deputy Workers' Advisor in Nunavut to better serve residents in that territory are all positive indicators. As an executive member of CAWAA, the WAO participates in discussions and activities that impact all injured workers in Canada. I look forward to continuing to represent individuals who are impacted by workplace injury.

Contact Us

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waonwtnu.ca

2011 ANNUAL REPORT

WORKERS' COMPENSATION APPEALS TRIBUNAL
2011 ANNUAL REPORT

NORTHWEST TERRITORIES AND NUNAVUT
Workers' Compensation Appeals Tribunal

WORKERS' COMPENSATION APPEALS TRIBUNAL

The Northwest Territories & Nunavut Workers' Compensation Appeals Tribunal is an independent, quasi-judicial tribunal and is not part of the Workers' Safety & Compensation Commission.

The Tribunal may confirm, vary or reverse any decision of the WSCC's Review Committee. While the Tribunal may make its own procedural rules, it must follow and apply the *Workers' Compensation Act* of both the Northwest Territories and Nunavut.

Tribunal Members are appointed by the Minister(s) responsible for the Workers' Safety & Compensation Commission.

Tribunal Members:

Colin Baile – Chairperson (Yellowknife)
Michael Chandler (Iqaluit)
Louis Sebert (Fort Smith)
Cayley Thomas (Yellowknife)
Joan Mercredi (Fort Smith)
Maria Jobse – Registrar/General Manager

NORTHWEST TERRITORIES AND NUNAVUT
Workers' Compensation Appeals Tribunal

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March 19, 2012

Honourable Jackson Lafferty
NWT Minister Responsible for the WSCC

Honourable Lorne Kusugak
NU Minister Responsible for the WSCC

Dear Honourable Minsters:

In accordance with the *Workers' Compensation Act*, I am pleased to present the Northwest Territories & Nunavut Workers' Compensation Appeal Tribunal's 2011 Annual Report.

Sincerely,

Colin Baile
Chairperson

MESSAGE FROM THE CHAIR

I am pleased to present the Appeal Tribunal's 2011 Annual Report.

This year the Tribunal heard several appeals from workers dealing with such issues as entitlement, pensions and rehabilitation. This was the first year our new procedural rules were in effect.

In addition to the appeals heard by the Tribunal, a section 63 application was heard. Any party to an action may apply to the Appeals Tribunal for a determination of whether a person is immune from action under the *Act*.

Two of our Tribunal Members, Don Kindt and Karen Snowshoe left the Tribunal this year. We were pleased to welcome Joan Mercredi as a new Tribunal Member.

Colin Baile
Chairperson

STATISTICS

Appeals	2009	2010	2011
Appeals Received	13	14	13
Requests for Rehearing	2	1	2
Total Received	15	15	15

Types of Hearing	2009	2010	2011
In-person	4	2	1
Video-conference	2	2	0
Telephone	6	2	4
Documentary	6	6	4
Total Received	18	12	9

Types of Appellant	2009	2010	2011
Workers	13	12	15
Employers	2	3	0
Dependant	0	0	0

Appeals by Territory	2009	2010	2011
NWT	10	11	11
NU	3	3	2
Judicial Review of Decisions	0	0	0

Section 63 Applications	2009	2010	2011
Count	0	0	1

Issues Appealed	2009	2010	2011
Claims	8	13	9
Pensions	6	2	4
Revenue/Employer	2	1	0
Rehabilitation	0	0	2
Total	16	16	15

Decisions Issued / Outcome	2009	2010	2011
Reversed	8	4	6
Upheld	12	7	10
Varied	1	0	0
Cancelled by Appellant	0	0	3
Total	21	11	19

Average Days from Filing to Decision	2009	2010	2011
Average	298	187	181

Outstanding Appeals at Year End	2009	2010	2011
Count	12	15	10

Contact Information

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